

Finance Subcommittee Meeting Minutes

Thursday December 10, 2015 6:30 PM Superintendent's Conference Room, Minuteman High School

Present: Carrie Flood, Dave Horton, Jack Weis, Sue Sheffler, Kevin Mahoney, Michelle Resendes, Elizabeth Rozan

1. Call to Order: Open Session

The Chair called the meeting to order at 6:40 PM.

2. Warrant Review

Michelle Resendes had sent out responses to questions on the warrants, so they warrants were signed with little discussion.

3. Approval of Past Minutes 12.3.15

Minor amendments were offered on the minutes, and accepted, and the following vote was taken:

Moved (Horton) and seconded (Weis)

To approve past minutes of 12.3.15 as amended

Vote: Unanimous

4. FY 17 Budget Overview #2

Kevin presented a number of documents for review:

FY 17 Budget Superintendent's Version 2.0 Budget Recommended Reductions

FY 17 Budget Summary by Function Code Version 2 Preliminary as of December 10, 2015, including salary and non-salary accounts by Function Code

Analysis of Rental Revolving Accounts

He explained the documents, highlighting areas in the budget that were reviewed for adjustment, in the effort to get to 1% budget reduction. Following up from last time, he described that process that had been used last year relative to the Early Retirement Notification Incentive (i.e. no SC vote, just informational), and noted that he implemented the same this year, with a December 31 deadline. He also pointed to the rental income from the Revolving Funds and posed the question of whether a portion of the General Fund utility expenses could be allocated to the Revolving Fund accounts. He pointed out that it is permissible by law. Kevin proposed allocating 10% of the total electricity and heating expenses to the Revolving Funds, based on the amount of time the building was rented out. There was a discussion about the fact that it was likely only a portion of the building, not the entire building, was rented out for those outside uses, so allocating costs to the General Fund strictly on the basis of total hours of outside rentals vs. the hours school was in session might overstate the utility usage by those Revolving Fund uses. Kevin agreed there were many variables. It was agreed to allocate 10% of the utility costs to the Revolving Funds for FY 17, and reassess next year.

Kevin explained that with the recommended adjustments, including from a teaching position, the retiree health insurance enrollment and rate increase, the 10% of electricity and heating from rentals, the professional development, minimal staffing for new programs, and equipment requests, he was able to

reduce the FY 17 budget to \$19,728,097, representing a reduction of 102,906 from Version 1, at -0.52% change.

He noted that he may be able to identify some additional funds for the Revenue Plan through a review of the 2nd Quarter Actual, the E&D for June 30, 2016, Early Retirement, and FEMA funds for last year's snow removal. He also noted that based on the current draft budget, there would be a 3.5% increase in assessments, but that if additional funds were identified, the increase in assessments might be limited to 2%.

He explained that for the next meeting on January 5, he will present the 2nd Quarter Actuals, the E&D Projections for June 30, 2016, and more analysis related to the contingency if the Building Project doesn't get passed. He explained that for now, however, he is developing the budget as if it would be. He also noted that regardless, the ball fields are staying.

Carrie reported that in Concord, the Finance Committee was pleased that the budget was being held at level, that there was a dramatic increase from E&D, and that tuition funds from last year were being used, rather than from this year, and that then their discussion focused on the Regional Agreement and the Building Project.

Kevin then gave a brief update on the FY 17 Estimated Revenue Plan Version 2 and the FY 17 Assessments Version 2, dated December 10, 2015. He explained that he will bring these to the School Committee on Tuesday for a brief review. It was suggested that he indicate that the Finance Subcommittee has been made aware of and supports the development of the budget to date.

Transportation costs were raised. Kevin explained how the costs are allocated to the towns, and explained again that he will be meeting with the company with whom Minuteman currently has a contract to discuss possible strategies to reduce the costs.

5. Adjournment

The meeting was adjourned at 7:40 PM.

Elizabeth Rozan, Recorder