

Finance Subcommittee Meeting Minutes

Thursday December 3, 2015 6:30 PM Superintendent's Conference Room, Minuteman High School

Present: Carrie Flood, Dave Horton, Jack Weis, Kevin Mahoney, Elizabeth Rozan

Absent: Sue Sheffler

**1. Call to Order: Open Session**

The Chair called the meeting to order once everyone had arrived and was focused to begin.

**2. Warrant Review**

In the absence of Michelle Resendes, it was agreed to postpone the warrant discussion until the 12.10.15 Finance Subcommittee meeting.

**3. Approval of Past Minutes 11.23.15**

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 11.23.15 as amended

Vote: Unanimous

**4. FY 17 Budget Overview #1**

Kevin presented a number of documents for review:

FY 17 Estimated Revenue Plan v. 1.0 12.3.15

FY 17 Assessment v. 1.0 12.3.15

FY 17 Possible Budget Adjustments Based on Building Project

Excess and Deficiency Notification for Minuteman, 12.3.15

Preliminary FY 17 Budget v.1 12.3.15 Summary by Function Code, with Salaries by Function Code

FY 17 Capital Equipment Summary Recommendations v.1

He explained the documents, noting level funded salaries; staffing placeholders; cuts, eliminations, or areas for request adjustments which would have instructional advantages and no negative impact; areas for possible transfer requests, and comparisons with the FY 15 Actuals.

He reviewed the budgetary impact if the building project were not approved, noting the difficulty with planning in light of this uncertainty. He highlighted the planning for a smaller school with an Academy Model, noting that the Education Program Plan incorporating these factors was adopted.

Clarification was given on placeholder positions and on the development of the Education Program Plan, comparisons to FY 15 Actuals for one-time costs such as for the enrollment consultant, and in response to a request, Kevin agreed to provide more detail on the decrease in out-of-district tuition from FY 16 to FY 17.

Kevin presented the certified E&D number, noting that it came in at 4.5% of the current budget, with 5% being the maximum allowable. That this number provides a sense of "net worth", and also serves as a reserve fund outside of the Stabilization Fund, as a cushion and as something that provides some flexibility, what the right level of reserve to aim for is, how it might be used to augment the revenue plan and lower assessments, and the positive impact this has on planning were discussed.

Kevin noted that his aim is to create an FY 17 budget that is 1% less than the current budget. He reviewed the Ch. 71 formula, and also noted the possibility of the FEMA reimbursement on last year's snow removal expense.

A suggestion was made to add a column for another year of actual figures, to broaden the view for possible trends. It was also pointed out that additional data may raise more questions, particularly in the areas of enrollment and expenses. The anticipated contractual 2% increase, and the step/lane adjustments were also noted in the FY 17 budget.

Additional areas discussed included the rethinking of the bus transportation contract, the phone service, the building maintenance, retirement funds, OPEB liability, community services, and paying down Feasibility BANs. Kevin noted his intention to talk with Bond Counsel about the OPEB liability strategies, given that no red flags were raised by the Auditor, and to look into how to best manage the administrative costs in the community services area. Revolving funds, utility costs, Stabilization Fund, and possibly getting closer to 1% through early retirement notification incentives were also discussed. The following vote was taken to give Kevin the flexibility he needed:

Moved (Weis) and seconded (Horton)

To authorize Kevin to request School Committee approval, if necessary, for the Early Retirement Notification Incentive program for the current fiscal year.

Vote: Unanimous

There was a request to start looking at the data in the draft Per Pupil Cost Report Kevin has been working on. He noted that at the moment, the School Committee Chair is reviewing it for efficiency measurements. He reviewed again what he has been looking at in this report, specifically SPED costs, transportation costs, teacher salaries, and middle school programming in regional districts with high, medium and low per pupil costs.

Kevin summarized that for next week's 2<sup>nd</sup> Budget Review, he will present further strategies to get the percentage change closer to 1%.

## **5. Adjournment**

The meeting was adjourned at 8:50 PM.

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Elizabeth Rozan, Recorder