

Budget Committee
Minutes
November 12, 2013

Present: R. Barnes, T. Beard, J. Burk, C. Guagliumi, S. Heinrich, G. Krupp, C. Lang, L. Mooney, A. Nelson (late) and School Board liaison A. Schneider
Excused: B. Cummings, V. Pellegrino and C. Skarda
Also Present: Business Administrator M. Shevenell

C. Guagliumi called the meeting to order at 7:00 PM and led those present in the Pledge of Allegiance.

Approval of Prior Minutes

S. Heinrich made a MOTION to approve the minutes of October 15, 2013. Second: C. Lang. MOTION PASSED 7 – 0 – 2 with R. Barnes and J. Burk abstaining.

FY 2012-13 Budget Review

C. Guagliumi called on M. Shevenell to review the final FY 2012-13 budget.

M. Shevenell reported that the District ended FY 2012-13 with \$1.9 million dollars in surplus. He indicated that there were two components of this surplus: \$1,383,612 in appropriation surplus and \$543,419 in revenue surplus. (A. Nelson arrived at this time.) He said the total surplus balance goes back to the taxpayers to reduce taxes.

M. Shevenell reviewed several general categories that made up the appropriation surplus. He indicated the biggest area of surplus was the performance for pay category. He explained that, by contract, the District had to budget \$1000 per teacher but that not every teacher applies for this incentive and not all who apply get approved which results in an overage. He also noted that pay for performance is not in the current teacher's contract. He said there was considerable support staff turnover last year and the new staff was hired at lower pay rates than those who left, resulting in savings. However, the regular staff lines were almost fully expended. He said that salaries affect forecasting benefit costs for the next budget. He noted the District is seeing more staff shifting to the less costly HMO. He indicated that there were a couple of unanticipated "Out-of-District Placements" (ODPs) that resulted in over-expending the Special Services budget. He noted the Special Services budget is specific student driven. He said there was a 5% savings in transportation costs and that the Maintenance budget was also under-expended because the cost of utilities was down. He indicated that while the cost of texts was down, the cost of software is up as the District moves from printed to digital resources. Finally he said that bonded debt went down due to the re-issue/re-financing of one of the District's bond.

Discussion included:

- Recently legislation was passed that would allow School Boards to put forth a warrant article to retain some surplus funds for emergency expenditures or tax-rate stabilization. The School Board is watching to see what other Districts do relative to this legislation and using surplus funds for emergency expenditures.

- The District will have a guaranteed maximum health insurance increase to use when creating next year's budget.
- Newly hired support staff is always hired at the first step of the pay scale. The district uses SERESC if related services are needed.
- Unanticipated federal revenue was an amount related to a federal grant.
- David St. Jean is working one day a week as a paid consultant.
- The District should not have any issues relating to mandatory health care for part-time workers as long as the part time workers don't work more than 4 days a week.
- The District has found that creating and offering comparable "In-District" programs is cheaper than costly ODPs.
- The bond that was re-issued was the high school addition. M. Shevenell will look at whether it is cost-effective to re-finance any other bonds.
- While the food service budget was under-expended, it brought in less revenue than anticipated. M. Shevenell noted that Food Services is an Enterprise Fund which means any balance in the food service lines stays with the food service program. So the District used surplus funds from 2011-12 to balance the 2012-2013 budget.
- M. Shevenell noted that food costs are up due to new laws and regulations and stated he expected there could be a lunch price increase during the first part of 2014.
- M. Shevenell will generate a spreadsheet covering the last several years to compare the salaries of staff that has left the District with the salaries of the staff that replaced them.

Status of Current Budget

M. Shevenell reported the current budget is proceeding on track and indicated that he is doing some restructuring in how some things are accounted for.

Capital Improvement Plan (C.I.P.)

M. Shevenell reviewed each year of the School District C.I.P. with the Committee. Discussion included the following:

- Natural gas conversion.
 - This was part of the Honeywell program, but that gas lines were not available near the high school and Masticola complex at the time.
 - A lot of the district heating equipment is over 20 years old.
 - This might be a warrant article, rather than part of the operating budget.
 - The project had a 3.9-year payback.
- Roofing
 - Costs have gone up 10-15% from last year.
 - School Board decided not to do any roofing this year.
 - Funds put in the budget by the Committee will be returned as surplus.
- Technology Upgrades
 - District is working toward getting wireless in every building.
 - The district also needs to continue to update its technology infrastructure and increase its electrical capacity.

Other

Members asked M. Shevenell for information about the damage at the Reeds Ferry School Parking lot. M. Shevenell told the Committee that there was a fire caused by a vendor sealing the parking lot and that the vendor's insurance company is fixing the parking lot.

Liaison Assignments and 2013-14 Budget Committee Process

C. Guagliumi explained the liaison process. She indicated that budget books would be available on December 3rd and said she would be meeting with the School Board Chair and the Superintendent to set up some protocols and procedures for liaison meetings with department heads as well as to determine when member budget questions were due to the Superintendent. She said she would send an email when she had more information to share. She also suggested that members try to attend the School Board meetings where the proposed budget will be presented and discussed but stated that, while member questions would be asked during the department head presentations, members would not be able to participate in the discussions.

Public Participation

There was no public participation.

S. Heinrich made a MOTION to adjourn. Second: R. Barnes. MOTION PASSED unanimously.

C. Guagliumi adjourned the meeting at 9:30 PM.

Respectfully submitted,

Pat Heinrich