

QUINCY SCHOOL COMMITTEE

BUDGET and FINANCE SUBCOMMITTEE MEETING

Wednesday, May 9, 2012

A meeting of the Budget and Finance Subcommittee was held on Wednesday, May 9, 2012 at 5:00 pm in the 2nd Floor Conference Room at the NAGE Building. Present were Mr. Paul Bregoli, Mrs. Kathryn Hubley, Mayor Thomas Koch, Mrs. Emily Lebo, Mrs. Anne Mahoney, Mr. David McCarthy, Ms. Barbara Isola, Chair. Also attending were Superintendent DeCristofaro, Mr. Jim Mullaney, Mrs. Colleen Roberts, Mr. Keith Segalla; Ms. Allison Cox, President, Quincy Education Association; and Ms. Laura Owens, Clerk.

Ms. Isola called the meeting to order at 5:00 pm.

The first item on the agenda was the FY2013 Budget Overview. Mayor Koch shared copies of the City's FY2013 Budget, which was presented to the City Council on May 7, 2012. The budget for Quincy Public Schools is \$2.6 million higher than last year and represents level service funding, including step and level increases and funding for raises to be negotiated. There is an additional \$500,000 for new programming, the first priority being maintaining or improving class sizes. 36% of the City's budget is education; including building construction and employee health insurance, 50% of the total budget is related to education. The Mayor also provided copies of the City's School Technology Initiative which will be created from Comcast funds and total \$828,000 for this school year and be focused on middle and high school technology investments. Mr. Keith Segalla worked with the school principals on creating the budget for this initiative. Chapter 70 funds from the state were up \$2 million over previous appropriation; local receipts were down this past year, but are expected to rise this year. New growth number is very good, projected to be up \$4.5 million, partly due to Quincy Medical Center moving from non-profit status. The property tax rate set will be set in the fall and should average a \$112 increase per household. Some highlights from the City's budget include that GIC costs held fast, retirement costs are up, Fire and Police department staffs are increasing, the Department of Public Works has funding for sidewalk repair, and the Parks Department will have two additional positions plus money for tree replacement. Mayor Koch feels this is a healthy budget, responsible, cautious, since the City is not out of the woods economically. Policy items addressed included structural deficit for snow removal (allowed under state law), now budgeting at \$1.25 million. "Free cash" is the surplus available at the end of the year once all transfers have been completed and deficits/surpluses reconciled; 20% will be dedicated to OPEB reserve for unfunded liabilities related to retirements. The Mayor noted that public employees contribute between 9 and 11% of their salaries towards retirement. An inclement weather account is planned as a reserve fund (10% of free cash) and would fund deficits in snow removal. The stabilization account will receive 20% of free cash until that account is built back up (goal would be

10% of budget in reserve). This is especially important for the City's bond rating and future borrowing for construction.

Ms. Isola opened the floor up for questions. Mr. Bregoli inquired about training for custodians on the Honeywell systems and the Mayor clarified that would be handled under the city side of the budget. Mr. McCarthy complimented the Mayor on the technology initiative. Mrs. Lebo asked when the City Council will approve the budget. Mayor said the City Council must approve the budget by June 30. There are three Finance subcommittee meetings scheduled in May and June; Quincy Public Schools will present their budget on June 11.

The next item on the agenda was the Budget Process and Possible Meeting Dates. Ms. Isola reviewed the proposed dates: May 14 (at 5:30 pm following the Teaching and Learning Subcommittee); May 16 at 6 pm (if needed); May 24 at 5:30 pm; May 30 at 4:30 pm; May 31 at 4:30 pm; and a Public Hearing on June 6 at 6:00 pm.

Dr. DeCristofaro reviewed the typical budget process and agenda items for the first meeting on Monday, May 14. He invited School Committee members to call and discuss any items they wish with him prior or subsequent to any of the upcoming meetings. Mayor Koch reminded the School Committee that by statute, the City Council can change the Quincy Public Schools bottom line, but not any line items in the budget (which they can do for other City departments).

The next item on the agenda was the Monthly Budget Status Report. Mr. Mullaney reported on the nine months ended March 31, 2012. The Academic Classroom Teacher category is showing a small deficit which will be made up; Academic Programs are on track. He is anticipating fifteen retirements between teachers and support personnel. Academic Support is showing a deficit related to Aides line; a large number of Special Education aides have been required this year by IEPs. There is also a small deficit related to ELL tutors and translators. Non-Academic Support is on track with surpluses and deficits largely reconciled across the total account. Mr. Mullaney reminded all that there are grant deficits that will be offset by surpluses in Circuit Breaker funding.

On the Expense side, there is a surplus in SPED tuitions, gasoline, and natural gas. This surplus could be used for textbook purchases, educational supplies, technology, building maintenance (gym floors, enclosing the 2nd floor classrooms at Lincoln-Hancock). Overall, Mr. Mullaney is projecting that we will end the year on budget, and he will be looking to make transfers and additional purchases and expenditures now to take pressure off next year's budget.

Mr. McCarthy requested clarification about the Aides line; Mr. Mullaney said they can be added for medical conditions, safety, to avoid outside placement and that the current additional positions are all long-term substitutes. Mrs. Mahoney noted that there have been deficits in this line item for several years and asked about full-time Kindergarten aides vs. these one-on-one aides. Mrs. Mahoney asked about an analysis of the trend – if we've run a deficit for several years in a row, is it

the same grades each year? Mrs. Lebo also inquired about cuts in Federal lunch program funding. Mr. Mullaney said QPS would have to absorb whatever gets cut from reimbursements at the federal level.

Mr. Mullaney reviewed that FY2013 budget meetings have begun with Superintendent's Leadership Team members and principals to discuss their anticipated needs for the next school year. Mr. McCarthy complimented the monthly budget reviews and Mr. Mullaney's work to make budget information more accessible to the School Committee members.

Mr. Mullaney then reviewed the Revolving Accounts, for the nine months ended March 31 and projected twelve-month totals. For this month's review, he added information about account balances to the spreadsheet. Food Services is required to maintain four months of expenses as a reserve, but the account is currently under that level slightly. Athletics will have a deficit; expenses are higher in spring as coaches are paid out of revolving account and equipment purchases for next fall will take place. The deficit will be covered by reserves, but the reserve account is getting low and can probably cover only one more year before the athletic fee structure will have to be re-evaluated. Transportation will have a small deficit, again to be covered by reserves. Rentals will have a surplus, which will be applied to the Custodial overtime deficit. The revolving accounts all have relatively healthy cash balances.

Mrs. Lebo asked about supply line for Transportation; Mr. Mullaney said this is for repairing buses. Mr. McCarthy asked about rental fees; these have gone up significantly in recent years. Ms. Isola asked for history of rentals over past years, so we can see where rentals may have declined. She also asked for a comparison between the rental fees for the Lincoln-Hancock pool vs. the YMCA Pool.

Mrs. Lebo asked about whether there are other grants where there are concerns about funding declining. Mr. Mullaney replied that the 21st Century Grant has declined in recent years. Additional grants have become available that have allowed for making up deficits.

Under Other Business, Mr. McCarthy asked Mr. Keith Segalla about the Mayor's Technology Initiative. After Mr. Segalla's recent School Committee presentation, there was discussion about the age of computers in the schools. Mr. Segalla stated that this investment will make a big difference, with the oldest computers being replaced. Mrs. Lebo questioned the decision to purchase Interactive whiteboards. Mr. Segalla spoke briefly about some other other options, such as MimioTeach; these will be explored at a future Teaching and Learning Subcommittee meeting.

Ms. Isola made a motion to adjourn the meeting at 6:10 pm. Mayor Koch seconded the motion and on a voice vote, the ayes have it.