

**TOWN COUNCIL MINUTES  
BUDGET/MANAGEMENT COMMITTEE  
Town Hall Council Chambers  
June 2, 2009**

Present: Kenneth J. DiFazio, Chairperson  
Patrick O'Connor  
Ed Harrington  
Arthur Mathews

Not Present: Michael Molisse

Also Present: Victor Pap III  
Thomas J. Lacey, Councilor (arrived at 7:15pm)  
Mary Jo Livingstone, Superintendent of Schools  
Sean Guilfoyle, School Committee Chairperson  
Maureen Duffy

Recording Secretary: Janet Murray

Chairperson DiFazio called the Budget/Management Committee meeting to order at 6:45 pm.

**SCHOOL DEPARTMENT : Level funded FY10**

**Salaries:**

- Are there any significant staffing changes for FY10?
- Consultants: At the request of the Budget/Management Committee, please provide a list of all consultants working for administration along with the costs expended (see memo attached).

There are no positions in the budget which are strictly consulting, however, there are four positions in the School Department that are covered by personal services contracts rather than collective bargaining agreements. In each case, the individual holding the position retired from the district. Because they are receiving a pension from a state agency, there are rigorous caps on eligible salary and a personal services contract provides the appropriate documentation for that eligibility. All positions are paid through payroll but receive no benefits. The positions are:

English Language Learner Coordinator – John Murray (FTE .5) \$25,000 (budget)

Planetarium Instructor – Michael Richard (FTE .5) \$25,000 (budget)

Science Center Instructor – Thomas Heyman (FTE .3) \$15,000 (funded by WEF)

WeyCare Director – Shirley MacDonald (FTE .2) \$17,800 (WeyCare revolving)

There are also three direct federal grants that require a 3<sup>rd</sup> party evaluator who may be viewed as a consultant. The grants are the Teaching American History II grant, the Carol M. White Physical Education grant, and the Smaller Learning Communities grant. In each case, expenses for the evaluator are paid by invoice from the grant.

- Administration: At the request of the Budget/Management Committee, please provide a schedule of the salary increases for the school administration not covered by collective bargaining. The schedule should include the employee's name, position and salary increase.

There are no salary increases for any administrative position in the FY 10 budget.

Key Budget Drivers: Discuss the following key budget drivers for FY10 as mentioned in the FY10 budget summary:

- Contractual Obligations: give an overview of the negotiated salary increases.
- Reduction in Utilities: discuss the utilities savings.
- Transportation Expenses: where are the increases in transportation?
- Restoration of key programs: discuss the programs restored from FY09.
- Reduction in Circuit Breaker: summarize the recommended changes to the reimbursement rates.

Ms. Livingstone gave a presentation regarding the School Department budget. She stated that there are three layers to the budget. She stated that she will describe a level service budget, maintaining all personnel and programs, how the gap in this budget could be addressed with federal stimulus money, and then what happens if there are local aid cuts.

Ms. Livingstone noted that the budget drivers include negotiated salary increases, transportation increases (1<sup>st</sup> student and special education), utility cost decreases, Circuit Breaker reimbursement rate has become unstable, the intention to use utility cost reductions to restore some of the programming eliminated in the FY 09 budget, and the requirement to level fund.

Personnel changes are as follows:

- Step increases = \$700,000
- Longevity changes = \$70,000
- Lane changes = \$210,000
- Salary increases = \$900,000
- Savings from 17 retirements = \$500,000) a retiring veteran teacher makes approximately \$72,000 while a new teacher makes approximately \$40,000.
- Budget elevate by approximately \$1.3 million compared to 2009

Transportation changes are as follows:

- Regular day transportation is approximately \$36,000.
- Special education transportation is looking at a new contract with North River Collaborative which would be approximately 3% increase rather than 5-10% increase.
- Estimated increase is approximately \$70,000

Utilities

- Heating oil @ \$2.50/gallon is an increase of \$75,000 savings from converting to natural gas. Savings realized in 2009 but the total is lower. However, the cost of oil has fluctuated between \$2 and \$4 over the course of one year.
- Natural gas @ 14.57/MMBtu is an increase of \$12,707
- Electricity @ .14/KWH is a decrease of \$240,000 due to lighting projects; some savings this year and full savings next year
- Natural gas and electricity are locked in rates so the concern is about usage.
- Overall utility decrease of 6%: approximately \$140,000

Circuit Breaker

- 72% reimbursement base using four times foundation
- \$1.9 million received in 2009
- 55% used in budget
- Foundation amount increases , the amount the town pays goes up
- 30% reimbursement would amount to \$600,000 instead of \$1.5 million
- \$6 million in actual out -of -district tuition, \$4 million budgeted, \$2 million in reimbursements
- Senate Ways and Means budget included a proposed 42% reimbursement rate in the sales tax
- Current shortfall is \$396,348 is the difference between 55% reimbursement and 42%. The 55% shortfall from 72% is covered with federal stimulus funding
- Restored programming would be in instruction and professional development
- Restored coaching stipends

Requirement to level fund

- Budget as presented is \$54,761,204 and a level funded budget is \$52,782,283

Ms. Livingstone directed Councilors to the federal stimulus money proposed spending in the budget book. She noted that covering the gap will involve the following funding sources: IDEA part A, Part B for pre-school, Title I eligible schools – Abigail Adams Middle School, Seach Primary School, and possibly Chapman Middle School. She noted that the Title I funds are based on the number of free and reduced lunches at a given school. She also noted that FY 09 utility money and the Circuit Breaker Revolving Account could also be used.

Stimulus money comes with pages and pages of requirements and guidelines that must be followed. The guidelines show only 50% allowance for budget shortfalls, and the remaining 50% to be used for strategic investments for the future.

Ms. Livingstone stated that the instructional materials and professional development fall under the strategic investment requirement. She noted that they are very reluctant to use money to fund positions as the stimulus money will be gone in two years.

Ms. Livingstone stated that this would be the budget if the economic situation at the State level is unstable. Looking at the State budget developments at this moment would result in an additional \$1 million in cuts. In order to cover this potential shortfall, 66 notices to staff for layoffs and/or non-renewals; 24 of these positions are paraprofessionals and the rest are professional staff, would need to be issued. She noted that it is not her intention to imply that all of these positions would be eliminated. She stated that she does not know exactly what the numbers would be. She pointed out that there are many variables.

Councilor DiFazio asked if the 17 retirement positions will result in open positions. Ms. Livingstone stated that the original intent is to hire back.

Councilor O'Connor asked about the breakdown of the layoff notices. Ms. Livingstone noted that 24 are paraprofessionals and the remainder are primarily from Unit A which are teacher positions.

Councilor O'Connor asked how many teachers' salaries are covered by grants. Ms. Livingstone stated there are about 40-50 such positions. Councilor O'Connor asked if there are cuts to grants will there be further positions lost. Ms. Livingstone noted that this could happen but most of the grants cover special education positions and these federal grants tend to be more stable. She noted that she is concerned about the potential loss of programs such as the Family Network which is an outreach program housed at Johnson School.

Ms. Livingstone stated that she is concerned about the loss of the State Enhanced Health grant. This grant currently funds two nurse positions.

Councilor O'Connor asked what was the amount budgeted for out of district tuitions. Ms. Livingstone noted that it was about \$4 million spread out among three line items: private schools, collaborative schools, and non-collaborative schools.

Councilor Harrington asked what percentage of the overall staffing is Unit A. Ms. Livingstone noted that 543 teachers out of a total of approximately 1200 positions. She stated that the payroll budget is \$40 million of which Unit A accounts for \$30 million.

Councilor Harrington asked if there has been any discussion regarding union concessions regarding raises. Mr. Parker stated that there have been no talks as of yet.

Councilor Harrington noted that he recalled that there was concern that the town would not reach a required federal guideline and could possibly lose funding. Ms. Livingstone stated that this is a Net School Spending funding requirement. She stated that this is the first time since she has been in finance that the town could potentially not meet this requirement. She noted that the ramifications will not be felt immediately but most likely within the next year. Councilor Harrington stated that Mr. Wilson had given information that the guidelines were being relaxed. Ms. Livingstone stated that she was not aware of this and Mr. Wilson may have information that she does not.

Councilor DiFazio asked about future contract negotiations. Ms. Livingstone stated that there are seven bargaining units. She noted that there are none at this time and that there will be no retroactive raises.

Councilor DiFazio asked how much it would cost to give 3% raises to non-union personnel. Ms. Livingstone stated that on the school side, these raises are included in the budget. She noted that it costs \$690,000 for all of these raises. It would cost \$387,000 to give those who did not get one, a 3% raise.

Ms. Livingstone stated that there will be energy grants forthcoming to pay for up-coming lighting projects.

Councilor Lacey asked if the federal money counts towards Net School Funding. Ms. Livingstone stated that local and state funds count towards the foundation amount.

Councilor Lacey asked about the 66 positions to be laid off. Ms. Livingstone stated that the cuts are balanced among the three levels. She noted that the primary level class sizes could increase to 27. The preferred class size at the 3<sup>rd</sup> and 4<sup>th</sup> grade level is 25, the 2<sup>nd</sup> and 3<sup>rd</sup> grade is 23, and Kindergarten is 20. She noted that middle school could increase to 30 where the preferred class size is 25. At the high school level the size could increase to 30. She pointed out that there are some classes such as chorus that would be higher than 30.

Councilor Pap asked if anything has been looked at other than layoffs to maintain costs. Ms. Livingstone stated that 80% of the budget is staff and there is not any room for cuts other than layoffs.

Councilor Pap asked about grants. Ms. Livingstone pointed out that grants tend to be specific as to what the money can be used for.

Mr. Parker pointed out that many of the textbooks line items have been cut in the past few years and the textbooks are in need of replacement.

Councilor O'Connor asked if the proposed layoffs would cover the deficit. Ms. Livingstone stated that they would.

Councilor O'Connor asked if there will be any reserves. Ms. Livingstone stated that there will be no reserves in Circuit Breaker. She noted that some small accounts would have reserves.

Councilor Mathews asked Ms. Livingstone what her salary is. She stated that her salary was \$144,000. Councilor Mathews noted that this year's salary is \$152,896. Ms. Livingstone stated that the total salary includes travel allowance and longevity payments.

Councilor Mathews asked about contractual employees such as the Superintendant. He read from a memo that stated that contractual staff will get a raise which matches Unit A. Ms. Livingstone stated that the language reads that if there is no conversation then salary increases for contractual staff will match increases of Unit A. Conversations were held and contractual staff will not get raises. A letter to this effect is included in their files.

Councilor Harrington asked about athletic fees. Ms. Livingstone noted that these fees go into an athletic revolving account. She noted that Booster Clubs handle their own money and often make donations to the revolving account.

Councilor DiFazio asked about the planetarium. Ms. Livingstone noted that community programs are paid for by an admission fee of \$5. The cost of students to visit the planetarium during the day is paid out of the budget. She noted that spending on the planetarium is approximately \$30,000. The maintenance for the projector is approximately \$8,000 plus the \$25,000 needed for the staff position. This amount is offset by charging a fee for community programs.

Councilor DiFazio asked about the Wessagussett roof replacement. Ms. Livingstone noted that there are a number of leaks.

Councilor O'Connor asked about the Adams Middle School roof. Ms. Livingstone stated that this project needs to be done soon. However, the Chapman Middle School project involves a significant amount of money. This was submitted to SBA for funding. It has been evaluated.

Councilor Mathews asked what the total cost of all capital improvement projects is. Ms. Livingstone stated that the Chapman project cost is \$6 million and the additional projects would cost an additional \$3-4 million.

Councilor O'Connor asked if there are energy audits as he noted that the President is looking to create a new industry for green energy. Ms. Livingstone noted that there is not a formal audit in place.

Councilor DiFazio asked if there were any program eliminations this year and if there were any increases in fees. Ms. Livingstone stated that there were no program eliminations. She noted that the fee increases are on a two year cycle. She stated that there were increases in fees for childcare at the high school and for WeyCare, the afterschool program, because they had not had an increase last year.

Councilor Mathews asked if there was a recording secretary for School Committee subcommittee meetings. Mr. Parker stated that someone at the meeting takes the minutes. Councilor Mathews stated that there was an issue regarding turnaround time for minutes once approved and available to the public.

Councilor Mathews asked how many employees in the school department are paid overtime without a time clock to track hours. Ms. Livingstone stated that handwritten time cards are kept. She noted that there is not a physical time clock to punch. Mr. Parker stated that this issue will be brought back to the School Committee for discussion.

Councilor Harrington asked why pink slips have been sent out when there have been no discussion about concessions by the teachers. Ms. Livingstone stated that there have been conversations, however there are many different possibilities.

Ms. Livingstone stated that layoffs are basically based on seniority. She noted that 20 individuals would be affected by the layoffs. She stated that one teacher may bump another teacher at the various levels depending on seniority as the 66 positions are eliminated.

Councilor Harrington asked about contract services in the maintenance line. Ms. Livingstone noted that these contract services are typically utilities.

Councilor Mathews asked about support staff overtime. Ms. Livingstone stated that custodial overtime is primarily to cover vacation/sick time and maintenance overtime tends to be for calls when there is an immediate repair need.

Councilor Harrington noted that there is one director/department head who receives overtime. Ms. Livingstone stated that this is being discussed with Human Resources. He asked if there was a good reason for this.

Councilor DiFazio stated that this is a potential question for Mr. Wilson.

Councilor O'Connor asked if there is a need for a public hearing if there is a supplemental budget. Mr. Parker noted that a second public hearing is planned.

Councilor O'Connor asked if Council staff could be informed of the date of the public hearing. Mr. Parker stated that he could do this. Mr. Parker asked if questions could be sent to the School Committee ahead of time.

Councilor O'Connor asked about the overall situation for schools at the local and state level. Ms. Livingstone stated that there is an appearance that with the federal money coming in, the state is decreasing on their funding such as Circuit Breaker reimbursement.

There was discussion regarding the final meeting schedule. It was decided to cancel the meeting scheduled for 6/4/09 and meet on 6/9/09 and keep the meeting planned for 6/11/09 on the schedule.

A MOTION was made to cancel the meeting scheduled for 6/4/09 and meet on 6/9/09 and keep the meeting planned for 6/11/09 on the schedule by Councilor O'Connor and was seconded by Councilor Mathews.

Ms. Duffy noted that the budget needs to be voted on prior to the Council meeting scheduled for 6/15/09, otherwise a Special Council meeting will need to be called. The meeting for 6/11/09 will be posted for legal purposes.

The MOTION was UNANIMOUSLY VOTED.

At 8:45 pm, there being no further business, a MOTION was made by Councilor O'Connor to ADJOURN and was seconded by Councilor Mathews and UNANIMOUSLY VOTED.

Respectfully Submitted by Janet Murray

Approved by: \_\_\_\_\_  
Kenneth J. DiFazio, Chairperson