



Town of Medway

FINANCE COMMITTEE

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Medway MA 02053

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Minutes of Finance Committee-Final Version

DATE: March 12, 2007

LOCATION: Sanford Hall – Medway Town Offices
155 Village Street
Medway, MA 02053

PRESENT: Diane Coulter, Rob Kenney, Frank Faist, Joy Smith Dahl, Judy Yasi, Tom Shea, Phil Giangarra, Phyllis Cerel

ABSENT: Steven Chilinski, Ned Myers

GUESTS: Dr. Grandmont, Susan Connolly, Dawn Rice-Norton, Matt Lynch, John Foresto, Jan Fish, Joseph Russo, Andy Espinosa, Rondi Chapman, Dave D’Amico, John Callahan, Glen Trindade, Deb Trindade, Kristen Diebus, Dennis Crowley, Kent Scott, Mr. Verdolino

PURPOSE: Review School Budget prepared by School Committee for FY08.

Diane Coulter called the Finance Committee (Fin Com) Meeting to order at 7:05 p.m. at Sanford Hall.

Diane requested that Dr. Grandmont present the School Department’s budget.

Dr. Grandmont stated that the School Department budget was created based on level service. He also presented an overview of the documents that he handed out to all present Fin Com members.

Note: Please see [Addendum #1](#) for information on where to obtain these documents referenced in these minutes as #1 through #7 if an active link is not available.

- [#1 FY08 Working Draft Budget](#)
- He requested that it be noted how significant the cuts were to the schools from the FY06 Requested budget which was first presented to the Fin Com on 12-9-2004
- The sub-committee members who worked on this budget at a prior meeting include Tom Shea, Phyllis Cerel, Rich Dunne, Dennis Crowley, Susan Connolly, Tina Wright, Dr. Grandmont and Mr. Verdolino.
- [#2 FY07 Budget Status is presented by Department of Education \(DOE\) Functional Category](#)
- He stated that the new budget to actual reporting for the current fiscal year is updated monthly and is available to the public in a 3 ring binder in his office and during all school committee meetings
- The FY2007 Non-Operating Budget Funds include revolving accounts and grants
- [#3 MA DOE FY06 Expenditures per Pupil comparing Medway to Like Districts](#) is information directly off the DOE website put together by Mr. David Verdolino who stated this information:
 - Is approximately 3 weeks old
 - Includes retirement costs and all funding sources
 - Does **not** include transportation, capital projects, debt

Tom asked for verification on document [#3](#) of the total budget amount for Medway as \$26.2 million.

Mr. Verdolino stated:

- This is the first year the DOE has calculated the information in this manner
- The old calculation included direct + indirect costs but separated Regular Ed, Special Ed, and Integrated
- The new calculation includes grants, revolving funds (i.e. tuition, food services, etc.)
- All education types are included, no longer separated out regular ed, SPED, Integrated therefore
- The numbers look higher in this new format than in the old format

This [#3](#) document points out that Medway is at:

- 69% of the average for all Tri-Valley schools for Administration expenses and we rank the lowest, 9th out of 9, in actual dollars spent
- 63% of the average for all Tri-Valley schools for Instructional Material expenses and we rank 8th out of 9 for actual dollars spent
- 92% of the average for total per pupil expenditures for all Tri-Valley Schools and we rank 7th out of 9 for actual dollars spent

Mr. Verdolino stated:

- The school department is looking to move toward parity with the other school districts of Tri-Valley for example:

- Medfield teachers health benefits % are 50% employee responsibility/50% town responsibility

Tom asked that of all the 317 state school districts, where does Medway stand?

Mr. Verdolino stated that Medway is 274th out of the 317. 273 school districts in the state of MA spend **more** than the town of Medway on their per pupil expenditures.

Tom asked if all of the school districts are like Medway, K-12.

Mr. Verdolino stated the two columns on this document; Medway Comps (TVL) and Medway Comps (Other) include like school districts, K-12.

Frank & Tom asked if the increase in Special Education (SPED) costs due to state mandated requirements is keeping up with the circuit breaker subsidies?

Circuit breaker is what the states subsidizes to the towns for the high cost of out of district SPED placements.

Dr. Grandmont stated that he does not believe that the DOE has that information available.

Tom asked if there is a SPED expenditure/SPED pupil number?

Dr. Grandmont stated Handout [#4 FY96-FY05 % SPED per total School Budget](#) details:

- From FY96-FY05 the Direct SPED dollars spent as a percent of the total school budget for Medway has gone from 13% -21%.
- This is not unique to Medway
- These numbers are the absolute cost to the town not the total cost of SPED

The question was raised on the %SPED students to total student Population: 17-18%.

Rob asked for clarification for footnote E on [#3](#) DOE document.

Mr. Verdolino stated that if Medway was to meet the Tri-Valley Average per Pupil Expenditure, we would need to add \$2,670,000 to the budget.

Joy asked if the increase in employees' benefit responsibility to 50% would translate into a decreased cost to the Town of Medway?

Mr. Verdolino stated that health care costs are rising so quickly that even with this increase in employees' benefit responsibility the cost per pupil would not be impacted.

Dr. Grandmont directed all to document [#5 % Expenditure per pupil Graph 1, Graph 2 Graph 3](#), detailing bar graphs for FY05- FY06 for all the Tri-Valley towns the:

- Total % of dollars spent per pupil increase, Medway is the lowest
- Classroom & Specialist Teachers (only teachers not para's or aides) % of dollars spent per pupil, Medway is the lowest and the only town that has actually spent less
- Insurance, Retirement +Other % increase in dollars spent per pupil, Medway again is the least, this will not see a significant change even increasing the % employee share of benefits

Dr. Grandmont directed all to document [#6, FY08 Level Service Operating Budget](#):

- The [first pie chart](#) does not include the indirect costs from Suzanne Kennedy yet
- This is the only place where the budget is level service funded and includes many fixed costs, costs that have to be paid due to negotiated salary increases (union 2and1/4th %), step and degree salary increases as union dictates (those teachers that go from a B.S. to an M.S. and years of service increases)
- Projected increased in SPED based on historical data
- **NOTE:** All other costs including utilities are level funded for FY08, including gas, electricity, etc.
- 77% of the level service costs are personnel and 23% in non-personnel costs (computers, books, etc.)
- 77% of the level service cost is for regular education, 23% is for SPED

Tom asked what the Technology costs include.

Dr. Grandmont stated:

- Internet service provider
- Maintenance contracts
- Antivirus software, etc.
- Non-student used technology....what staff utilizes, clarified by Susan Connolly

Joy asked about the anticipated Kindergarten class enrollment.

Dr. Grandmont stated:

- Higher than expected this year,
- 177 already registered, 22 registration packets are still out
- 99 full day/5 classes of 20 so far

- Prior years were 220,214,215, FY07=187

Rob asked for clarification as to why the FY06 requested budget was included in document #1.

This was placed there to illustrate the trends.

Tom asked if [Tier 1 and Tier 2 budget pages](#) at the end of Document #6 are ordered by priority.

Dr. Grandmont stated yes.

Susan Connolly stated:

- The Tier 1 is mostly staff and this is due to the accreditation report from the state.
- Medway must submit a special report to the state as to what action was taken based on the accreditation report recommendations

Tom asked if there is a RN to # student state ratio.

Dr. Grandmont stated 1RN for every 250 then .1 Full Time person for each +50 over the 250. Dr. Grandmont stated that we do not meet the requirement in the Middle School.

Frank asked if Tier 1 and Tier 2 capital investments were also put into the Capital Improvement Plan (CIP) in place by Suzanne Kennedy.

Dr. Grandmont stated:

- Yes, ever since the CIP was put in place, he has submitted his requests for capital expenditures
- The CIP department/account has never been funded therefore, these were included in the Tier1+2 budget requests

There was then much discussion regarding on-line textbooks:

- Dr. Grandmont stated when texts are purchase there is an option for CDs and/or on-line texts and for the new purchases, we have been purchasing the CDs
- A guest asked if on-line would be more cost effective
- Dr. Grandmont stated he did not know, all students do not have access to computers
- Glen Trindade stated that we do want to use every opportunity to use technology but the current infrastructure (classrooms with computers with internet access and CD drives that can read new technology) will not support this and would require a significant investment

Joy asked how Tri-County Vocation Tech charges Medway.

Dr. Grandmont stated:

- There is a state formula per student
- Medway has 50 students there
- There is a new Director

ACTION ITEM: Dr. Grandmont will ask the Tri-County Director to present the state formula and budgeting to the Fin Com.

Dr. Grandmont then presented the last handout [#7 "Funding from Property Taxes Over the Past 3 Years, FY05-FY07"](#)...percent of real estate taxes that went to fund the schools.

- The percent for those years are 69%, 68%, 63% respectively
- \$1,139,318 = the real estate tax decrease over these years for the residents
- This is due to an increase in State Aid, Chapter 70 (Ch70)

The second section of the handout detailed how much of the Chapter 70(Ch70) increased dollars actually made it to the school department's budget FY06 – FY07 actual and FY08 Governor's House1.

- For both FY06+FY07 Ch70's total increase = \$1,220,992 to Medway for the schools yet the schools only received \$81,674 Ch70 dollars
- FY06 the schools were funded below level funding
- Based on FY08+past the total that was slated for Ch70 for the schools will be \$2,358,087....what will the schools actually receive?

Tom asked the proportion of property taxes to other like towns.

Dr. Grandmont stated for Medfield %80 percent of the real estate tax goes to the schools.

Mr. Verdolino stated for that information:

- Go to the DOE website
- Click Ch70 link
- Look at the statewide information to find that percentage for other towns

Frank asked if these numbers include health and other benefits and indirect costs as this is the first year these are being directed to the cost centers. The total cost would be those numbers on document [#7](#) plus indirect, etc?

Dr. Grandmont stated the intent for the state providing Ch70 funds is for the school as the state realizes the biggest chunk of most towns budget is the schools and the increase from the state legislature is because they assume these costs are going to increase.

Tom stated that the cost number inclusive of indirect+benefits can be extrapolated as follows assuming 70% for a total from FY06-FY07 \$475,000 which still does not make up the difference.

Susan stated that all the documents reflecting the DOE numbers do include health expenses.

Rondi asked Dr. Grandmont why the fire alarms were on the bottom of the list.

Dr. Grandmont stated:

- Although the Middle school did pass inspection by the fire chief
- The connection of both buildings of the Middle school does not exist
- The existing systems in both school buildings are antiquated
- Fire alarms can not be heard in some hallways and calls need to be made to those teachers and from building to building to ensure all are informed
- Want to plan ahead for upgrading so does not end up an emergency expense but a planned expense
- This year 2 elevators had to be replaced at the Middle School as an unplanned expense

Diane requested any further questions. None were forth coming.

Diane requested a motion for approval of Fin Com Secretary's Timesheet for the month of February for the sum of \$299.76.

Joy made a motion to approve the \$299.76 bill for the Fin Com Secretary. Tom seconded the motion and it was approved by all present.

Judy motioned to end the FinCom meeting at 8:30 p.m. The motion was seconded by Tom and approved by all.

Respectfully submitted,

Liz Langley
Finance Committee Secretary