

Finance Committee  
North Reading Town Hall, Room 5  
Tuesday, April 10, 2014

Present: Ms. Hurlbut, Mr. Wolpin, Mr. Kelliher, Mr. Pulver, Mr. Johnson and Mr. Veneziano

Absent: Mr. Koppelman, Mr. Kirby and Mr. Duffy

Guests: Superintendent, Kathleen Willis, School Financial Mgr, Mike Connelly, School Committee members; Mr. Webster, Mr. Bowers, Mr. Veneziano, Ms. Imbriano

Chair, brought the meeting to order at 7:10 pm

Mr. Connelly said they have produced a level service budget with a 5 year plan to move forward. In January, they had originally proposed a 6% budget. They have reduced some staffing and aids down to a 4.9% budget, \$26,892,029. They still had a \$500,000 budget gap on March 10<sup>th</sup> but by April 7<sup>th</sup> they had brought the gap down another \$168,014.

Mr. Connelly outlined what drives the School budget up. Mr. Connelly said that 2% of the 4.9% is due to SPED. There are unfunded State mandates and new students coming into the district needing to be out sourced.

The opening of the new High School will have new maintenance and technology costs. New building operational costs are 1% of the 4.9%. They will be operating two High Schools next year. The Wastewater treatment plant increased costs by \$100,000. The new school will have four elevators with maintenance contracts of \$15,000, Device Management total \$223,000.

One time revenues that won't be available in FY15 are:

- Seem Trust Account in the amount of \$140,000 was used up this year.
- The IDA grant is lost now, a \$190,000 in losses.

81.8% of the budget is salaries. Next year teachers will be in the third year of their contract and step increases will come into play. A salary pool is being established to offset those costs and they believe there will be enough put aside. Mr. Connelly also talked about moving forward and goals toward 2016.

The School Committee is dealing with a fluctuating enrollment, and looking at a 5 year enrollment projection they will be looking at it, overall, to go down. Middle School will be seeing the largest decline, although projections change annually. The current number of students at the High School is 756 and will increase 100 students within the next four years.

Mr. Connelly explained that the modified proposal now is \$26,724,015 and handed out FY15 School Budget, explaining how the budget was brought down. Mr. Connelly, Mr. Webster and Mr. Venezia explained their efforts in reducing salary costs to the town by decreasing longevity, sick leave buybacks and freezing step increases. 55% of the teachers are at their max step.

The expenses, maintenance and contractual obligations for the Wastewater treatment plant were discussed. Mr. Connelly said bids have been awarded. Mr. Kelliher asked if someone from the DPW could take on the job. Mr. Bowers said the process is very specialized and certificates are required.

The School Committee members left at 8:30 pm

### Minutes

**Mr. Kelliher moved to approve the minutes of March 11, 2014. Mr. Veneziano seconded the motion and it was voted 5-1-0, Mr. Wolpin abstained.**

**Mr. Pulver moved to approve the minutes of March 27, 2014. Mr. Johnson seconded the motion and it was voted 5-1-0, Mr. Wolpin abstained.**

**Mr. Veneziano moved to approve the minutes of March 6, 2014. Mr. Johnson seconded the motion and it was voted 5-1-0, Mr. Wolpin abstained.**

**Mr. Pulver moved to approve the minutes of February 4, 2014. Mr. Kelliher seconded the motion and it was voted 5-1-0, Mr. Wolpin abstained.**

Mr. Kelliher was concerned with the new actuarial study which indicated that our unfunded liability was \$67 million, up from \$34 million the last time the study was done. Mr. Kelliher suggested that the FinCom invite the actuary to a meeting to discuss his results. Ms. Hurlbut will speak with Ms. Pavao when she gets back from vacation.

Ms. Hurlbut advised members that the Reserve Fund has been reduced to \$100,000.

Mr. Veneziano moved to adjourn the meeting, seconded by Mr. Wolpin and voted unanimously in favor. The meeting was adjourned at 9:00 pm.

Approved \_\_\_\_\_ Date \_\_\_\_\_