

**Finance Subcommittee
of the
Swampscott School Committee
Regular Session Minutes
September 24, 2007**

A regular meeting of the Finance Subcommittee of the Swampscott School Committee was held in the meeting room of the Superintendent of Swampscott Public Schools, 207 Forest Ave, commencing at 10:33 am, with the following members present: Mr. David Whelan, Chairman Presiding and Mr. Neil Bernstein. Also Present: Matthew Malone, Ph.D., SPS Superintendent of Schools, and Ed Cronin, SPS Budget Director.

At 10:33 am, Mr. Bernstein moved to open the meeting. Mr. Whelan seconded. All voted in favor, and the meeting entered open session. Dr. Malone was not present at the beginning of the meeting.

I. Minutes of September 6, 2007

Mr. Bernstein presented for approval the draft minutes from the regular session of the Financial Subcommittee of the Swampscott School Committee, of September 6, 2007.

Mr. Whelan and Mr. Cronin identified corrections. The corrections were recorded by Mr. Bernstein.

Mr. Bernstein moved to approve the revised minutes. Mr. Whelan seconded. All voted in favor

II. FY09 – Financial Forecast

Regarding slide #2, Mr. Whelan asked why the FY08 Operating Budget, \$22,456,150, is higher than the amount approved in the town warrant, \$21,443,390.

Mr. Cronin replied that the increase comes from funds accessible to SPS outside of the town budget. The number includes a slight increase in the grants and the circuit breaker.

Mr. Whelan requested that Mr. Cronin provide the same explanation to the SC meeting, at its upcoming meeting. He also requested that all updates to the forecast be forwarded to members of School Committee, prior to the meeting.

Mr. Whelan expressed his appreciation of the short and to the point slide presentation summary, versus a lengthy, detailed presentation. Mr. Whelan expressed confidence that the Town Selectmen and Town Financial Committee would appreciate this early forecast.

Mr. Whelan stated his opinion that the Town Administrator, Andrew Maylor, would very likely amend his projections, which would dramatically impact this forecast.

Regarding slide #9, Mr. Whelan suggested showing the math for the final numbers.

The subcommittee discussed what material should be handed out, and in what quantities. Mr. Whelan suggested posting the material to the School Committee website, in which case it may not be necessary to have lots of copies at the School Committee meeting. He suggested having it on the web site by Tuesday, before the meeting, but certainly by Wednesday morning.

Mr. Bernstein recommended printing the slide presentation in handout mode, 6 slides per page, which would yield one, double-sided page.

Mr. Whelan recommended handing out the 5-page budget report. Mr. Bernstein thought that it would be useful to have at least a few copies of the 5-page budget report, but that was secondary to the slide presentation, as long as it would be available, online.

Dr. Malone joined the meeting at 11:05 am.

Mr. Bernstein suggested putting the Superintendent's Recommended Budget and the Level Service numbers on the slide with the Town budget numbers, so that they could all be seen on a single page.

Mr. Bernstein asked which slide presented "Level Service." Dr. Malone stated that slide #4, "Fixed Operational Costs" represented "Level Service." Mr. Bernstein suggested that the phrase "Level Service" be used in that slide. Dr. Malone agreed to make that change.

Mr. Bernstein asked when the forecast would present the consequences of the different levels of funding. Dr. Malone felt that it was too early for that step. Mr. Bernstein agreed that it is reasonable to wait, at least until after the GIC vote.

Mr. Bernstein requested that all calculations be explicitly presented, so that the reader will not have to flip the pages or use a calculator to figure out or confirm the math. Dr. Malone stated that he could do the sums on slide #6, "Program Total w/ Offsets." Mr. Whelan suggested that the final sum appear on a single page, and it would help to have the Town numbers on the same page, showing the range of numbers. Dr. Malone agreed to make such a change.

Mr. Cronin noted that the budget really depends, to a great extent, on outcome of the GIC negotiations, which should be resolved by early next week. There are other unknowns that will become clearer over the next few months. Mr. Cronin asked about the procedure that was normally followed for the union votes on participating in GIC. Mr. Whelan stated that the leadership of each union normally makes recommendation, inviting the members to vote on the topic.

The subcommittee discussed the title and format for the Budget Report. Mr. Bernstein suggested that the row with "Budget Report" be modified to be, "FY08 Budget Tracking Report, as of 9/24/07." Consensus supported that change.

Dr. Malone said that Athletic/Club User Fees are still a concern, but that they were not mentioned in the presentation. Mr. Whelan and Mr. Bernstein suggested that they might be added to slide #5, "Operational Unknowns." Dr. Malone agreed.

Mr. Whelan stated that another unknown was any possible additional receipts from SHS facility rental income. Dr. Malone stated that he did not think that SPS knew enough to adequately estimate such potential income.

Mr. Whelan stated that he felt that the material is ready for presentation tomorrow. He expects that by the subsequent School Committee meeting, the GIC results would be known, and the Town Administrator may have revised his numbers.

Mr. Whelan felt that the document, as formatted will constitute a living document.

Mr. Cronin noted that if GIC is not accepted by the unions, it will be very hard to finance the proposed budget.

Mr. Bernstein asked that the title of slide #3 be changed to something that captures that the numbers on that slide represent increases, above Level Service. He also requested page numbers be added at the bottom of all slides.

Mr. Bernstein suggested that there were two different types of "unknowns." One type is an amount that is hard to be certain about, every year, such as snow plowing and utilities, but for which there are previous numbers. The other type is something new and as yet untested, so it is based on only projections, such as the cost of operation of the new SHS. Dr. Malone stated that the snow removal was not just of the first type. It was also that this was previously a town expense item, and it was shifted to the SPS budget for FY09. Dr. Malone stated that he prefers to keep all the "unknowns" grouped as they are.

Dr. Malone asked whether 2.5% is an accurate expectation, or were there other sources of revenue for the town. Mr. Whelan stated that the town normally has also some increased revenue.

Mr. Whelan noted that Chapter 70 funding is still unknown.

Mr. Bernstein asked when the Financial Subcommittee can we receive a presentation of the proposed cuts, in the case that funding is less than the Superintendent's Recommended Budget? Mr. Cronin replied that it should be possible to prepare something after the GIC vote.

Mr. Bernstein added that breakout categories would be useful, moving forward, based on the suggestions in his original proposal and in subsequent conversations with Mr. Cronin and Dr. Malone. Dr. Malone requested the Mr. Bernstein resend his breakout category suggestions.

Mr. Bernstein requested that SPS provide a specific written response to the comment about SPS issues in the report, "Management Letter," Sullivan Rogers Company, June 30, 2006.

At 11:48 am, Mr. Bernstein moved to adjourn the meeting. Mr. Whelan seconded. All voted in favor, and the meeting was adjourned.

Respectfully submitted,
Neil Bernstein