**FINANCE COMMITTEE**

**Meeting Minutes**

**Tuesday, March 8, 2016, 6:30 PM**

**Lower Conference Room, Dedham Town Hall**

**Members Present:** John Heffernan (Chair), Maureen Hanlon, Sue Carney, Dave Roberts, Liz O’Donnell, Cecilia Butler, Kevin Hughes, Marty Lindemann and Kevin Preston.

Mr. Heffernan called meeting to order at 6:33 PM.

Blue Hills Regional Technical High School

James Quaglia, Superintendent-Director, was present with Steven Moore, Assistant Superintendent for Business and Personnel, to represent Blue Hills Regional Technical High School.

Mr. Quaglia explained that they are working on the second year of their strategic plan. They are a level 2 school. They are currently working on updating and improving their entire vocational curriculum, promoting literacy across all disciplines and increasing technological implementation and integration in all of the programs and activities within the school. They went to a 1:1 environment about 3 years ago, and next year they will need to replace Chromebooks for the freshman class. They will be doing this annually from now on. The price of Chromebooks has dropped.

Mr. Moore explained that the budget has increased. He reviewed details of the budget as well as the application and enrollment history.

Mr. Moore explained that they plan to add a Social Studies teacher. Salaries have a 2 percent increase overall. They have seen savings in the cost of transportation, but this is expected to go up next year by about 2 percent. There is a small increase in cost for building maintenance. Health Insurance has contributed to a 4.9 percent increase in benefits.

Mr. Quaglia described the need for a feasibility study that will cost about a million dollars. The best option they have is to wipe out their residual E&D.

Mr. Roberts asked about the $2,000 series expense for paraprofessionals. Mr. Moore explained that the way the accounting was set up this year was that these were rolled into teacher salaries. Since the Department of Education requires them to report that out separately they moved that money out. They are not new positions.

Ms. Carney commented on the class sizes as she noticed they were large. Mr. Moore confirmed that the Social Studies classes are large. They would like to bring the average down and put a cap of 30 in a class. They do not have a minimum class size, but they would prefer at least 10 students in a class.

Ms. Carney asked about the projected students for next year. Mr. Moore responded that they cannot take more than 20 students. The total enrollment now is about 900, approximately 80 teachers, 3 vocational resource aids and 2 special education aids. 24 percent of students are on an Ed. Plan.

Mr. Heffernan confirmed with Mr. Moore that they are not looking to increase enrollment with the new project.

Mr. Preston confirmed that the excess goes back to the Town based on assessments. He also commented on the fact that Dedham pays more per student on average than other towns.

7:25 PM: Town Facilities

Denise Moroney, Facilities Director, was present. She explained that the budget is $20,928 lower. This is due in part to the fact that the telephone and copier expenses are being transferred to the Finance Department. The largest item is the personnel. A per diem custodian was hired last year. She is requesting an HVAC technician due to increasing demands including the new building. Presently, one HVAC technician maintains all 20 buildings. Almost $120,000 was spent last year on outside HVAC contracting to cover calls.

Ms. Butler asked how much money they are saving with the Siemens project. Ms. Moroney responded that she would have to get back to her with that information. Mr. Kern added that would be on the list of things that they may want to dig a bit further into at a later date, outside of this budget cycle. They are not prepared to answer the question right now.

Mr. Heffernan commented that when the question about the Siemens project was asked before, it was found to be a difficult question to answer because of moving parts and changes. Mr. Kern responded that he would like to give a response that is reasonably coherent and up until now, he hasn’t been satisfied that is the case. Additionally they have had other things that have taken a higher priority; it is on the list.

Mr. Heffernan commented that it would be helpful to know what energy savings they are getting from it.

Mr. Heffernan asked Ms. Moroney out of the $120,000 in service calls how much she thinks they would be saving by hiring another HVAC technician. Ms. Moroney responded approximately $30,000. Mr. Heffernan confirmed that the workers would have preventive maintenance to perform on equipment in between calls.

Mr. Roberts asked to what extent the recommissioning of the Middle School and the Avery delved into the HVAC problems. Ms. Moroney explained that she has given a list of the HVAC related items from the recommissioning to the HVAC employee and he has gone around to each of the repair items; she thinks there has been a positive on spending those moneys on recommissioning as they learned about issues the otherwise wouldn’t have known were issues and were able to address them earlier.

Mr. Hughes commented that the utilities numbers are not making sense to him. He wondered why it appears the heating cost is going up significantly when heating costs should be going down. Ms. Moroney explained that any savings that are seen in the utility line items are used to pay off the debt for the Siemens project, which is why some of those line items were increased. Mr. Hughes confirmed with Ms. Moroney that within the electricity numbers there is also debt. She added that comparing the actual versus the budget will show the savings.

Mr. Heffernan asked for the breakout. Ms. Moroney confirmed she would provide the breakout.

Mr. Heffernan confirmed they would need to go back and revisit the numbers in the utilities budget and discuss it again later.

7:45 PM: School Facilities Budget

Ms. Moroney explained that the original request was greater, but the Town Manager recommendation was less, and then the School Administration supported the lesser amount. She described the budget.

Ms. O’Donnell asked if there is revenue or expense associated with when the Middle School is used as a church.

Mr. Rippin responded that there is revenue, and the only expense is custodial overtime, but that is reimbursed. The revenue is put into a revolving fund that has a current balance of approximately $100,000.

Ms. Terkelsen explained that does not show up in the warrant book because it falls under a different statute.

Mr. Lindemann asked what would be different if they didn’t have $100,000 in that revolving account. Mr. Rippin responded that they would be seeing higher requests under capital. Mr. Lindemann asked why the accounting for that revolving account is not seen. Mr. Rippin responded that it is a public account; it just doesn’t fall under the operating budget. He explained that it is in the chart of accounts for the Town, and the funds are maintained by the Town Treasurer.

Mr. Preston commented that it would be helpful to know the total resources available, and they should be able to see the total financial picture.

Mr. Lindemann commented that if one is using public buildings to offset other costs that should be summarized for the Committee; not talking about it makes it seem like they are hiding something.

Ms. O’Donnell commented that there are a few items in the capital requests that look at safety around the schools, and asked if there was anything to offset the vandalism they are seeing with the windows.

8:00 PM: Dedham Public Schools

Michael Welch, Superintendent of Dedham Public Schools, thanked the Finance Committee for the time that they put into this process. The School Department would like to provide the information that the Committee would like to see and to be able to align with what the Town is doing, so he welcomed any feedback. He reviewed the budget and the handouts provided to the Committee in order to describe the FY ’17 requests. He reviewed what they have done over the past year and what they are planning to do within the next budget.

Mr. Welch explained that they began offering an additional professional day for all staff last year. Dedham is providing leadership and training to other schools on the integration of technology and is within the top 5 or 10 districts in the state in this area. They have rolled out the Chromebook initiative to the Middle School students and hope to have grades 6-12 converted to Chromebooks in the next few years. iPads will be repurposed to elementary students where possible. They have had 115 teachers go out on maternity leave in the past 7 years, so they see a need to increase the availability of substitute teachers. School committee has voted in favor of raising pay for substitute teachers. They also believe strongly that offering free full-day kindergarten is the right move and will save the Town money in the long run. Currently 260 districts in Massachusetts offer free full-day kindergarten. There is also a significant need to improve writing instruction. They need to bring someone from outside to audit their current language arts programs to determine the changes that are needed and incorporate best practices. They are also making improvements to data management through better technology integration.

Special education costs are increasing and they would like to develop programs internally to serve the special education needs within the district when possible to save on transportation costs, which average $20,000 each, and allow students with special needs to go to school with other children in their community. In recent years they have reduced the number of students in outside placement from 74 to 54. That is 20 less students at $100,000 each, which is a savings of $2 Million. The number of students received special education services peaked in FY ’10 with over 24 percent of students receiving special education services. In the past 6 or 7 years they have reduced that number by 159 fewer students. This is able to be done with better training of teachers so that they can meet special education needs. He presented the committee the prioritization of requests, and what they would cut first.

The School Committee’s recommended a budget of $1,695,601 compared to the Town Managers recommendation of $1,354,295.

Mr. Welch reviewed what will and will not be included based on the TM’s recommended budget.

Mr. Welch explained that of the 13.5 new FTE’s requested, the School Committee recommended 9.6, and the Town Manager recommended 4.0. Dedham Schools have achieved level one status over the last couple of years. Mr. Welch informed the Committee that currently 67 percent of FTE’s from the Schools are taking benefits with Town.

Ms. Carney commented that the law covers dependents under age 26 on their parents health insurance plans, which likely accounts for some of the new teachers and paraprofessionals who are not taking the Town’s health insurance.

Mr. Preston asked if there is any financial support for families who cannot afford to send their children to kindergarten. Mr. Rippin responded that the Schools do offer a scholarship program.

Mr. Preston asked what the per diem is for substitutes. Mr. Rippin responded that it was $65 per day for non-licensed, and $75 per day for licensed. It now went up $10 per day at each level for the first five days, and after that initial amount of days it goes up another $5 per day at each level. This puts them roughly in the middle in terms of benchmarking.

Mr. Lindemann asked how many students are enrolled in the total school district right now. Mr. Rippin responded 2,800. Mr. Lindemann asked how many are in special education programs, Mr. Rippin responded 543. Mr. Lindemann asked the total percentage of the budget that is being spent on special education. Mr. Rippin responded he would have to get back to them with a solid figure, but it appears to be about 30 percent of the budget including everything. Mr. Lindemann explained that he was trying to see the actual savings that would be realized by bringing more special education programs to the district instead versus what they are paying now for students to go outside of the district. Mr. Rippin explained that while he does not have a figure, it was both strategic and a budget decision.

Ms. O’Donnell commented that she loves the idea of full day free kindergarten. Ms. O’Donnell requested more information to back up the statements of full day kindergarten saving the Town money in the long run and it helping with special education.

Ms. Butler asked when the full day preschool began being offered. Mr. Welch confirmed that they only offer full day preschool for those with identified special education needs.

Ms. Butler asked what the difference is between an Administrative Assistant and Secretary/Clerk. Mr. Welch responded that a Secretary interacts with children and parents, a Clerk does not. Mr. Rippin explained that Administrative Assistants are not covered under a collective bargaining agreement, but the Secretary and Clerks are.

Ms. Butler requested a headcount per building.

Ms. Hanlon asked about the Secretary/Clerk increase between FY ‘16 and FY ’17, and where those positions are located. Mr. Welch responded that 1 is in special education, and Mr. Rippin confirmed that the only increase was a ½ time clerk in special education. Ms. Hanlon commented that she has been on the Finance Committee for a long time and this budget was a challenge to review.

Ms. Hanlon commented that there is a big discrepancy in pay between an Administrative Assistant and a Secretary, and asked for an explanation of the discrepancy. Mr. Rippin responded that it depends on their level and the number of hours that is expected of them.

Mr. Roberts confirmed with Mr. Rippin that there is no change in the out of district budget.

Mr. Roberts asked what was expected for next year from the circuit breaker. Mr. Rippin responded it’s a 70 percent reimbursement on a net claim of $1.5 million.

Mr. Roberts asked for more information on the 0.5 Assistant Principal at the Middle School. Mr. Welch responded that their preference would be to have a full time Assistant Principal. There is relief needed at the Middle School for the supervision of teachers, and they hope to peel off a piece of an existing teacher’s position since it would be difficult to get someone in as a ½ time Assistant Principal otherwise.

Mr. Roberts asked about the modular additions discussed for Greenlodge last year to address space issues. Mr. Rippin confirmed that was not going to be a capital expenditure, they had money set aside from pre-paid tuition, and given that it will not be happening the expectation is that money would revert to free cash at the end of the year.

Mr. Lindemann asked what the expectation was for student enrollment over the next 10 years. He explained that the enrollment is currently declining, and he wondered if they expect a similar flat to slight decline. Mr. Welch responded that he is hopeful the enrollment begins to go up, but the prediction based on the track record of where they have been is more of the same with a slight decline.

Ms. Hanlon asked what the average class load for a teacher at the high school level was. She always thought it was between 100 and 125. She asked if there was a reason why the current class loads are around 80. Mr. Welch responded that there are students that have significant needs, and there is a reason for every class that is run with under 10 students. Ms. Hanlon commented that she understands the classes that have special education needs, but wondered if they could decrease the current staffing level in a way that they could accommodate a fine arts teacher.

Ms. Carney expressed concern with the utilization of staff. She explained that she is not sure what each class is, but she noticed that some classes have very low numbers. She agrees that the School has a tremendous need for an art teacher, and there is also a need to spend money on professional development. She commented that the Middle School class sizes are more reasonable. Ms. Carney suggested that the School Committee should require substantiation below a certain class size. She also added that she has asked about zero based budgeting for 3 or 4 years and it never happens. She explained that this is a perfect example of where they should consider going through an exercise to see if single digit classes are needed.

Mr. Heffernan asked if there is an opportunity to bring in students from other schools. Mr. Rippin responded that this is limited.

Mr. Lindemann made a motion to adjourn at 9:36 PM, seconded by Ms. Butler. **It was voted 9-0.**