

**Finance Committee
Room 5
March 29, 2012**

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

Absent: Mr. Mastascusa

Guest: Carl Nelson, Business Manager for the Schools, Supt. Ms. Willis, and School Committee Members; Mr. Venezia, Chair, Mr. Bowers, and Ms. Errichett and Mr. Carnevale, DPW Director

Chair brought the meeting to order at 7:02 PM

School Committee members along with Mr. Nelson, Business Manager and Ms. Willis, Superintendent of Schools, presented the Schools Preliminary FY13 Budget with a modified services budget and a level services budget on the expense side. Mr. Nelson explained the ramifications of the loss of the AARA funds. He said they have stretched those funds through FY09, FY10, FY11 and have included \$339,000 in the FY12 budget. Mr. Nelson said those funds are no longer available and leaves a funding gap. This year the School Dept. is dealing with collective bargaining with the teachers and they have created a best guess in budgeting for those expenses.

Mr. Nelson gave an overview of the budget. Mr. Venezia stated that there is a \$1.2 Mil. gap due to step raises and with the loss of AARA funds. It was stated that the expense side equals only 20% of the budget, while the other 80% is mostly salaries. At their April 5th meeting they will discuss Options 1, 2, & 3 cut scenarios. Mr. Nelson mentioned that retirement figures were low at under \$100,000. Mr. Nelson said they spend down to the penny either by pre-purchasing or encumbering into the following year. Mr. Johnson noted that 60% of the teachers are at their top step. Mr. Nelson agreed that at step 12 those teachers would only be getting a COLA increase. Mr. Nelson said teachers can put up to 11% into their retirement fund and said the State usually comes up with an incentive plan to help them leave. Mr. Nelson advised that there is a decrease in Circuit Breaker money.

Mr. Nelson went over the increases from last year to this.

- 166% increase in inclusion para's – due to the reduction of AARA funds.

- Tuition up 11% - Special Education – 30-35 students out placed, with additional costs of residential costs or a nurse to accompany them.
- Special Ed. Transportation – school has three vans for main stream kids, whose drivers are employees of the school and fall within the salary item. There is also transportation out of town by outside contractors. Mr. Nelson advised FinCom members that North Reading is on a “level field” with other towns as far as student ratio on IEP’s.

Ms. Willis advised members that North Reading has a weakness as far as technology.

Mr. Johnson questioned the Athletic Budget and a \$20,000 difference. Mr. Nelson said the Athletic Revolving Fund pays 50% of the budget and the rest comes from general funds. The Revolving Fund is in the red and more general funds have been used. The schools policy thus far has been to allow kids who are entitled to free lunches to play sports at no cost. Mr. Venezia said that might have to change.

At 8:15 Dick Carnevale, DPW Director came in to speak with the Finance Committee. Mr. Carnevale went over the DPW Budget and the FY13 DPW Budget Request – Summary of Cost Changes.

- Engineering – New GIS Annual Hosting Fee – Will be operational within a month. There is an ESRI software fee.
- Administration – Code red 911 program to go under the TA’s budget.
- Road and Streets – Police detail – Mr. Carnevale will be talking with new Chief to iron out when details are needed. Mr. Kelliher said he believes DPW details could be only a 2 hr. minimum instead of the 4.
- Machinery Maintenance is the fuel consolidation and Mr. Carnevale went over department procedures.

Mr. Carnevale said the Town buildings are in bad shape and the town has been reactive in acting more than proactive. He is trying to put together a paving plan to determine what should be allocated each year and where in town. He also mentioned how costs could be cut by combining maintenance costs with DPW, Police, Fire and Schools.

Water Budget – Mr. Carnevale believes with the new rate changes the budget will be in the black. He emphasized that water lines should be fixed prior to road repairs. He also talked about saving costs when the town connects into MWRA. When asked about stormwater permitting costs, Mr. Carnevale said EPA permitting has been held off with a lawsuit from the Worcester area.

Mr. Pulver moved to adjourn the meeting, seconded by Mr. Johnson, and voted unanimously in favor.

Approved _____ Date _____

