

Minutes

Finance Committee

February 15, 2018

Meeting called to order at 7:00 PM by Dan Sherman

Present: Dan Sherman, Lorri Wheeler, Gerard Leeman, Joanne Reilly, Dennis Hogan, Jim Sullivan, Wayne Tarr, Peter McManama, Brian Cusack, Jonathon Chines, Rebecca Gilding, Joe Tringale,

Not in Attendance: Joe Bertrand, Jan Digiambattista and Doug Butler

Also in Attendance: Town Administrator Stephen P. Maio, Town Accountant Kevin Gill, Treasurer John McCarthy, Tax Collector Kathy Kelly, Assessor Victor Santaniello, Town Clerk Betsy Sheeran, Insurance Consultant John Spinello, member of the Board of Health Laurel Gourville, Health Agent Ruth Clay, Superintendent of Schools Dr. Kim Smith, Assistant Superintendent of Schools Doug Lyons, Business manager Michael Pfifferling and school Committee Member Christopher Callanan.

- 1) Public Participation: N/A
- 2) Motion to approve minutes of the minutes for the January 25,2018 meeting by Wayne Tarr
Seconded by Gerard Leeman and so voted.
- 3) The Finance Committee was joined by long time member Phil McCarty. Many well wishes were extended. Chairman Sherman presented Mr. McCarty with a portrait that was hung in the Finance Committee Room.
- 4) The following FY2018 Budgets were presented:

Budget #4 – Treasurer

Budget #7 – Tax Collector

Budget #8 – Assessor

Budget #9 – Town Clerk

Budget #10 – Election & Registration

Budget #26 – Board of Health

Budget #37 – Miscellaneous Selectmen

Budget #39 – General Insurance

Budget #40 – Medicare

Budget # 43 – Workers Compensation

5) Discussion on FY2018 and FY2019 School Department Budget

Finance School Budget Subcommittee members Lorri Wheeler, Jim Sullivan and Peter McManama all commented on the School Department Budget and the process of the budget development for Fiscal Year 2019 as well as the current budget year 2018. All members agreed that the process has been transparent and productive.

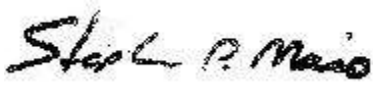
Dr. Smith first presented the challenges faced in this current fiscal year. Due to an unexpected increase of special education students and outside placements, the School Department found itself in a deficit position of \$690,000.00. Through budget cuts and savings instituted by the Superintendent the deficit has been reduced to \$170,000 (see sheet attached). An Article will be presented by the School Department at Town meeting in April to fund the deficit via a transfer from the Special Education Stabilization Fund. After this withdrawal from the Special Education Stabilization fund the fund balance will be in the \$5000 range. Dr. Smith and Business Manager Pfifferling explained the lack of special education reimbursement form the state. Despite being obligated to fund the Special Education Circuit breaker account at 75%, the State routinely funds at a lower level. This fiscal year it is anticipated that the funding will be at 65%. The 10% lower funding results in a loss of funds to Wakefield of approximately \$210,000.00.

Dr. Smith also presented the preliminary figures for the FY2019 Budget. The key drivers being contractual and negotiated salary increases, the completion of the final coach/coordinator for the curriculum model, media center needs, the reduction of user fees as well as Special Education Costs. Dr. Smith provided two options, Option A which would increase the School department Budget by 5.3% (5.54% with phase two of the activity fee reduction) percent or Option B which would segregate the excess special education costs (\$500,000), in an article to be funded through the Special Education Stabilization Account. Under Option B the FY2019 School Department Budget would present a 3.98% (4.22% with activity fee) increase plus the \$500,000 for special education.

The Committee debated the two options. All members understood that both options contained the same total amount of funds. The consensus of the Committee is to keep the Special education costs in the budget but to specifically message the fact that the state is NOT meeting its obligation. The Committee also discussed the importance of replenishing the Special Education Stabilization Account. It was the consensus that this account be addressed in the November Town Meeting.

6) Committee Comments:

7) Motion to adjourn at 9:45 by Wayne Tarr seconded by Gerard Leeman and so voted.



Stephen P. Maio