

**Committee:** Finance

**Date:** 1/16/19

**Attendees:**

Jeremy Arnon  
Timothy Baer  
Maureen Caraballo  
Lisa Litvin  
Dr. Charles Wilson  
Steven Goldfinger (community member)

**Key Topics and Discussion Points:**

1. Opening Budget Discussion
  - a. Discussed the 7% increase from '17/18 actual budget to '18/19 adopted budget
    - i. 14% increase in Special Education, 14% increase in Total Pupil Services, 31% increase in Transportation, 15% increase in Total Employee Benefits
  - b. Discussed an Initial '19/'20 Preliminary budget of \$50,750,425
  - c. An increase of \$231,839 over the '18/19 adopted budget or **+0.46%**
  - d. Discussed that the preliminary budget uses considerably less money from reserves than the prior year - an important step in maintaining long-term fiscal health. See below:

<b><u>Revenues</u></b>	<b><u>Adopted '18/19</u></b>	<b><u>Prelim '19/20</u></b>	<b><u>Budget Change</u></b>
Appropriated Balance	\$2,100,000	\$1,600,000	-\$500,000
Retirement Reserve	\$750,000	\$450,000	-\$300,000
Reserve of Tax Certiorari	\$350,000	\$200,000	-\$150,000
Total Reserve Use	\$3,200,000	\$2,250,000	-\$950,000

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- e. Discussed that Property Taxes would need to rise by \$1,134,926 or 2.78% to balance the budget to offset lower state aid and less reserve use (explained above).
    - i. *Note: Hastings "Assessed Valuation" increased by 4.1% year over year. Therefore, a 2.78% increase in property taxes collected actually corresponds to a lower tax rate of just over 1%.*

2. Program Need Discussion - i.e. additional expenses or reductions

- a. Initial **Net** Proposal of 3.6 FTE / +\$829,499
  - b. Discussed an approach to reduce the **Net** proposal to \$40,000. Highlights:
    - i. Smaller items covered through Operating Budget
    - ii. Hillside: prioritize funding of additional 4th Grade Section
    - iii. Farragut: prioritize Chrome Book accessibility
    - iv. High School: prioritize ENL or literacy staffing
      - 1. *Note; L. Litvin suggested that additional resources should be considered for Mental Health needs in the Farragut Complex.*
    - v. Special Education: ICT additions, communications class, TA and Aides addition.
    - vi. Reductions: TAs, Aides, FLES, Hillside Music, Resource Room
      - 1. *Note: L. Litvin was not in favor of removing FLES. T. Baer suggested we speak to the Language Department Chair and look to end this program for at least one year and include it as something to reconsider under the direction of the future Assistant Superintendent of C&I.*
    - vii. Not discussed, but included in Agenda materials: Other reduction areas to consider -> Schedule B, Assistant Coaches, Teacher Assistants
3. Maximum Reasonable Tax Rate:
- a. Briefly discussed keeping the tax rate flat, year over year, rather than having it decline 1%.
  - b. All participants felt that was prudent, but further discussion required on revenue implications and potential uses
4. Meeting adjourned
- a. All participants appeared to agree that this was a good first step at crafting a tight, fiscally sound budget that materially reduces our reliance on reserve funds
  - b. All participants appeared to agree that the details surrounding what is cut and what is added would require further work and refinement and that we were beginning the budget process early to facilitate these discussions.