

## FINANCE SUB-COMMITTEE

### Minutes of March 9, 2015 Meeting

Sub-Committee Members Present: Mr. Boutin, Mr. Espinola, Mr. Tully

Others Present: Superintendent-Director Roger Bourgeois, School Business Administrator George Garabedian, Mr. Bahou, Mr. Morin, Mr. O'Hare, Mr. Tatseos and the Recording Secretary

Meeting was called to order at 6:02 p.m.

Sub-Committee roll call: Present – Mr. Boutin, Mr. Tully

Mr. Espinola arrived after roll call.

Superintendent Bourgeois and Mr. Garabedian proceeded to review the FY16 Budget Power Point presentation.

Mr. Garabedian reviewed the personnel moves within the proposed budget. FY16 staffing is level with FY15. As part of the moves, Design & Visual Communications will have its own department. There will be 24 technical programs once Design & Visual Communications is approved by DESE.

Superintendent Bourgeois reviewed the Preliminary FY16 Budget Presentation. He informed the committee that the FY16 budget is a balanced budget which is predictable and sustainable. He also noted that effective FY16 schools can now have a revolving fund for transportation.

The proposed FY16 budget is as follows:

Operating Budget	\$35,466,495
Transportation	1,779,000
Debt Service	<u>840,145</u>
Total	\$38,085,640

The FY16 budget increased 1.4% over the FY15 budget.

FY16 enrollment is 2,195, an increase of 5 students from FY15.

The Minimum Required Contribution increased by \$456,779 per the Chapter 70 Foundation formula. Transportation assessments increased by \$459,036 due to a state reimbursement reduction of \$390,036 (Greater Lowell reduced assessments by \$306,750 in FY15 and later absorbed a midyear 9C cut of that amount). Capital debt service assessment increased by \$216,423 (Greater Lowell reduced assessments in FY15 by \$276,278 which included a onetime offset of \$167,526 from bond sale premiums).

\$300,000 will be used from E&D to fund the FY16 budget. The projected E&D June 30, 2015 balance will be \$1,456,157 (3.82% of the budget).

Cost savings from benefits amount to \$250,590 as follows:

Benefits Increase	\$369,904
HI Contribution Shift to 80/20	(280,249)
HI Plan Design Change	(243,139)
Other Adjustments	(97,106)
Total	(250,590)

Preliminary budget summary:

- ¼ Total budget increased by \$543,576 or 1.4%
- ¼ Operating budget increased \$425,679 or 1.2%
- ¼ Transportation increased \$69,000 or 4.0%
- ¼ Capital debt service increased \$48,897 or 6% to fund the second year of bond indebtedness on a \$65M construction/renovation project.

FY16 Combined Assessment:

Dracut	\$4,219,645
Dunstable	162,944
Lowell	7,497,127
Tyngsboro	1,252,717

**MOTION:** by Mr. Boutin, seconded by Mr. Espinola to recommend to the full School Committee to approve the FY16 budget of \$38,085,640 as presented.

**ROLL CALL VOTE:** 3 Yes

A public hearing for the budget will take place on Thursday, March 26, 2015 @6:00 p.m.

**MOTION:** by Mr. Boutin, seconded by Mr. Espinola to adjourn at 7:58 p.m.

**ROLL CALL VOTE:** 3 Yes