Finance Committee

TOWN OF HALIFAX

499 Plymouth Street

Halifax, MA 02338

**Meeting Minutes**

**Monday March 29, 2021**

**Committee Members Present**: Fred McGovern, Tom Connolly, Joe Vetrano (there was no quorum)

Also, in attendance in the audience were: Charlie Seelig, Chief Chaves, Sandra Nolan, Chris, Gordon Andrews, Matt Durkee, Jess Kramer, Sue Lawless, Bob Ross, Jean Gallant, Paula Hatch, Jill Proulx and Christine Healey

The meeting was recorded by Zoom

**The discussion began at 6:02 with a lack of quorum.**

Fred said he was hoping there could be some informational discussion even though there was a lack of quorum. He would feel more comfortable if all of the Fin Com had been able to be present, however, at least some discussion on the school budgets could occur.

Fred said at the time he did not have a lot of detail on the HES budget other than what the percentage increase was, and it would be helpful to have a line by line breakdown of what was driving the percentage increase. He suggested they start out by discussing the Silver Lake (SL) budget because Christine had just provided a copy of the line-by-line budget detail.

Fred said the bulk of the increase in the School Committee section of the budget seemed to be for legal costs and he wanted to check if that was correct. Christine said it was legal and having to do with audits. Fred asked if there was an additional audit due to CARES act money (such as there is in the Town) but Christine the line had been historically underfunded when she anticipated audits to be lower than the actual cost. She said she was just adjusting the line item now in order to bring it in line with what the costs have actually been. Christine said the legal costs are up due to the OPEB census valuation which is due every two years. Fred asked if there had been an “across the board” (ATB) increase in wages built into the payroll figures in the budget. Christine said if there is a current contract in place at the time of the budget then she used whatever the contract called for during the FY22 budget. She said the teachers had a current contract which gave 1.6% increase in wages annually for the next two years. She said the aides were currently getting ready to settle a contract as well. Fred said that the Town likes to make sure that school employees and Town employees are receiving the same kind of treatment when it comes to ATB payroll increases. Gordon wanted to clarify that HES does not always get what Silver Lake gets.

Fred asked why the Aides payroll line was so much higher. He asked if it was the same staffing level or if some extra staff was being brought on. Christine said they thought someone who was a senior aide was going to retire and then be replaced by a lower paid aide, but the person didn’t retire in FY21 so the cost needed to be adjusted. Tom asked why the overall budget line had only increased by 1.25% if it included an ATB payroll increase of 1.6%. Christine said 1.25% was the net difference because there were some retirements that were replaced with lower paid hires and so it netted to only 1.25% even though there was a 1.6% payroll increase.

Tom asked why the textbooks line went down 13%. Christine said it just happens that this year less textbooks need to be replaced because they are in better shape. Some years it is up and some years it is down. She said the figure in the budget is the actual need for FY22 and so there is less need for replacement.

Fred and Tom asked about the fact that the Technology Hardware (43.34%) an Software (35.59%) had increased so much. Christine said that some of the remote platforms that had started in FY21 will continue to go on in FY22.Tom asked if there were infrastructure costs for the hardware that increased it. Christine said it was primarily the addition of new chrome books that was driving the hardware side so much higher. Tom said the equipment maintenance budget seemed to go down by 30% so he wondered if that was realistic. Christine said since so many new chrome books had been purchased in FY21 they anticipated there would be less need for maintenance on them in FY22 because they would either be under warranty or need less repairs because they are new.

Fred asked why the Guidance budget had increased by 6.21% and wondered if that seemed to be all in payroll. Christine said that one person had left that department and that they had hired a new person who had many more qualifications and skills and so the replacement was actually paid a higher step than the person who left. Fred and Tom questioned that the difference was about $50,000 more and wondered if one person could have that many more skills that they would have received a salary that was $50,000 more. Jill said it seemed to her that maybe 2 people had been hired in a similar situation like that and both were paid at higher steps. Fred said even at that if you split it, that would be two people who both had such special skills more than that people they were replacing that they both deserved a $25,000 pay increase. Christine said she will get back to the Fin Com on that because she didn’t have the necessary answers right in front of her and she didn’t want to misspeak. Fred said between the middle school and the high school guidance that is an overall $82,000 increase.

Fred questioned the increase in Health Services and wondered if it was due to COVID. Christine said the school had built a little extra cushion into that in case they needed more PPE. Tom asked if there was money coming from the federal government that would help offset those costs. Christine said, maybe so, but they didn’t know for sure yet and so they built it into the budget. Tom asked if mental health is in this part of the budget or under guidance. Christine said psychologists are covered under Guidance costs. Christine said they were able to save a little money because in FY21 when they added the position of Nurse leader at half time, they were able to find one for $32,000 even though they had allotted for $40,000 in the budget.

Transportation is level funded. Tom questioned why homeless was listed separately. Christine said homeless has a different way to submit for reimbursement, so she has to separate it out.

Tom questioned about the decrease in food services when food security seems to currently be more of an issue due to the pandemic. Christine said that since the former head of the cafeteria at HES had retired, the Food services director for SL had taken over and her salary was now being split out among all three towns by enrollment because she is shared, so that allowed for some cost savings for Halifax.

Fred asked why supplies and materials in Athletic Services had increased so much. Christine said that the athletic department hasn’t been able to fundraise through admissions the way they normally would. Fred said as an example that would mean that football couldn’t charge admission to games in FY21. Christine said that was correct. Fred said if you increase the budget to offset the lower balances in athletic accounts and then you charge the patrons in FY22 then aren’t you double charging the taxpayers. Tom asked if this line would pay for things like refs, ice time, pool time etc. Christine said that was correct. Fred said again he felt as if this was double charging people. Fred said this was offsetting this year’s loss into next year’s budget. Tom asked if the programs had run in FY21. Christine said they had. Tom said we were able to fund seasons for these sports for FY21 and they now have low balances because they couldn’t charge admission. Christine said that was correct. Tom said that makes it sound like a “float” versus and actual expenditure that would be budgeted. Christine said they are just trying to make sure they can maintain programs which lost revenue in FY21 in FY22. Tom asked about programs like drama or arts where they don’t charge admission. Christine said the student’s user fees pay for those programs so there is no problem there. It is just that athletics cost more to run in the first place, so the user fees don’t cover all the costs. Usually, admissions help maintain the costs. Tom said the schools and Towns need to make sure that it doesn’t look as if revenue generating programs are considered more important than those that don’t generate revenue. Jill said it is more about the cost of running the programs then about the revenue generated by programs. Athletics simply cost more to run than some other programs. Tom said it is important not to create a new baseline for FY22 because you didn’t raise revenue in FY21 otherwise you are building future budgets off a baseline that was built on covering a FY21 deficit. Joe said you aren’t asking patrons to pay twice. Joe said the kids still got to participate; they just didn’t generate revenue of admissions. Fred asked if the programs had completely run out of money in FY21. Christine said they had not but the funds going into FY22 were much lower than usual and the programs will not be able to exist at the same level if they don’t get help funding. She was tasked to create a budget that gives level service.

Tom was surprised by the decrease in the custodial line and said he would have expected a PPE cost associated with the custodial budget also. Christine said there had been a change over in staffing that saved money and that they already have a pretty good cushion of PPE so that is why there was a decrease.

Fred asked about the SE Tech-other- line. Christine said the tech team added a tech paraprofessional for FY21 because there was such high demand on their department as everyone was going remote. Christine said they have decided to keep this paraprofessional on staff for FY22 at an overall cost of $27,000. Jill said the administration reached out to the tech department and asked each team to make cuts where they could in order to sustain this position. Everyone agreed the need to keep this position was essential.

Fred asked about the increase in Employee Benefits line. Christine said it was due to the increased assessment from Plymouth County Retirement.

Tom asked how Unemployment costs went down because that never seems to happen. Christine said that the claims seem to have leveled off and they did not anticipate any future layoffs in FY22 so they felt good with the number.

Fred asked why the contracted services number had increased so much. Christine said the bulk of it was that the CTE vehicle was very old and needed to be replaced to be in compliance with laws governing the transportation of students. Fred asked why the replacement of equipment line was zero. Christine said they always start at zero for a base because it is for replacements that are not significant enough for the capital plan. Christine said that in the last few years the vocational areas have not really needed to replace any equipment, however this year they do, so it looks as if it jumped way up from zero, but it is just because they are now finally replacing something.

Tom asked why Special Ed Psychologist costs went down. Christine said previously there were 5 students at North River Collaborative. This year there are zero students having to go to North River Collaborative, but she did leave a little money in this line in case something comes up during the year.

Tom asked about the increase in the Special Ed Transportation line. Christine said they had to switch providers for the transportation, but it was necessary and this provider costs more.

Tom asked about the SRO article and if Jill or anyone could speak to the fact that while the Fin Com feels it is a necessary position, they do not feel an article is the proper funding mechanism. Christine said the funding mechanism seems to always be the struggle. Trying to get all three towns to agree how it should happen. She said that Kingston gives the high school an officer for no charge. Fred said that is not how it should be. That agreement isn’t fair to Kingston either. The Fin Com would prefer to see both SROs put in the operating budget and then have all three towns pay for it as part of the assessment. Paula said that part of the problem is that the SRO is not a 12-month position, it is only 10 months. She would love to see all 3 towns get together and come to an agreement on this. Christine said in some districts, one Town pays the officer and then they bill the other Towns for their share of that cost. Paula, Fred and Tom all agree having it as an article each year is not ideal. Tom asked why it hasn’t been a general ledger entry previously. Gordon said there were questions before about if grants would pay for it and it is also a jurisdiction issue where the officer must come from the Town the school is physically located in.

Sandy asked if Silver Lake still intended to ask for an article for a Stabilization fund for Silver Lake. Jill said the school committee has not yet voted that. She said the Stabilization would be for building repair needs and other big projects that can not continue to be paid out of the operating budget.

Fred asked if there were questions on the AC proposal for HES. Joe asked if the new roof on the school (3 years old according to Matt) would have to be penetrated then who would own the warranty on the roof. Matt said the roofing company who installed the roof would do the roof penetration at a cost of about $500-$700 per penetration and then they would uphold the warranty on the roof. Matt said the electrical costs would run about $975 per unit. He said the cost for the art room would be about $9,425 and the cost of the server room would be about $9,115 for a total of $18,540. Sandy said the article is currently only for about $11,000 and Matt asked that they please change the article amount so that the new realistic costs would be covered. The finance Committee said on Wednesday night they could revote the amount.

Matt said the article for the hallway floor is correct with the estimate being $11,783 for silver oak. The same floor as used in the cafeteria, that they refer to as indestructible. Joe asked why the square footage had increased by almost 50% from the first quote. Matt said the previous quotes were for a different project in the same area but only covering a smaller area. He said the square footage of 115 would cover the whole hallway. Joe said that was a good price for the square footage. Joe said there might be a little wiggle room to negotiate.

Matt said the exterior lighting project can now be absorbed within the operating budget because the price is much lower when only replacing the light fixture heads. He said the size of the wire within the lights may still be an issue, but Scott feels It may be able to work but he won’t know until he starts the project. Sandy asked if they should remove the article now and Matt said they should remove the article because the budget can absorb the cost.

Jill asked if the finance committee wanted more information on the increase in the athletic budget or if it was more of a philosophical vote against that budget number. Fred said the more information the better because it always helps to have answers to questions. Jill said they will get the information to the Fin Com.

Fred said overall the HES budget has increased by about 3.4%. Christine said it is still the same budget that was presented back in February. There have been no changes to it. Sandy asked when the HES school committee would meet again to vote, and Christine said it was 4-5-21 and Gordon agreed. Christine sent the budget to Linda and she forwarded it to the Committee.

Chrstine said that by 4/5/21 they should be able to know if they will lower the vocational costs by $30,000 because then they will know who is going out of district and who isn’t.

Fred asked why the textbook line had increased. Jill said it is due to the ELA program changing next year because the one they currently use will no longer be running. She said many of them are online now.

Fred asked why the technology line was so much higher. Christine said it is due to hardware costs. Jill said there were certain things they couldn’t use CARES act money on, and some things need to be replaced including software.

Fred said there wasn’t anything that really caught his eye as far as being out of line on the HES budget. Tom asked if the Fin Com could expect another version. Christine said maybe after the 4/1/21 deadline for vocational.

Tom asked why Special Ed was up so much. Christine said it is due to out of district placements and things like the preschool programs for Special Ed.

There were no further questions or discussion.

The informational meeting ended at 7:15pm.

Respectfully submitted,

Linda Cole, Secretary \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Tom Connolly, Clerk