

RECEIVED

JUN 27 2016

WESTFIELD CITY CLERK

## Minutes

Westfield City Council Finance Committee

June 7th, 2016

### FY17 School Department Budget

Councilors Matt VanHeynigen and Dave Flaherty present  
Councilor Bob Paul absent

5:45 PM Opened meeting.

5:45 PM Councilor VanHeynigen motioned to recess the Finance Committee meeting until School Committee completed their meeting. Voted 2-0 to recess.

6:00 PM Return from recess.

Councilors Flaherty, VanHeynigen, Surprise, Babinski, O'Connell, Figy, Bean, Onyski, and Dondley present. Superintendent Scallion, Ron Rix, and several members of the School Committee present for presentation. Audience included various employees of the school department, union representatives, and concerned citizens.

Councilor Flaherty opened meeting by explaining the concerns of the Finance Committee with regards to the proposed FY17 budget for the city: a 3.5% Property Tax increase, new meals and hotel taxes, withdrawal of funds from free cash, lack of funding for desired priorities (such as road repairs and improvements, over \$100 million in unfunded capital projects for a variety of city departments, technology improvements, and long-term benefit obligations).

He explained the city is approaching the Levy Ceiling and that we could end up not being able to raise additional local Property Taxes within a few years - putting us in a very precarious position.

The Finance Committee is targeting budget cut recommendations in the \$1.5 to \$2.8 million range across the entire budget.

Councilor Flaherty mentioned that the City Council cannot make recommendations on any specific line item expenditures in the School Department Budget, and that the City Council only votes on the total school budget. How the School Department allocates and spends those funds are up to the School Department and the School Committee. Councilor Flaherty told the presenters and the audience that the Finance Committee did not need to go through every line item in the School Budget for the reasons mentioned above, and that the presentation should be whatever the School Department wanted to discuss at a high level, and that the Finance Committee and the attending City Councilors could ask questions as needed.

## PUBLIC PARTICIPATION

Mr. Ray Diaz, School Committee member, of 222 West Road spoke in support of the school department budget. He commended the school team. He discussed the recently ratified teacher contract, severance, the cuts made by School Committee, the savings achieved by initiatives, school performance and payroll comparisons to other districts. He commented that strong schools help the tax base.

## SCHOOL DEPARTMENT PRESENTATION

Dr. Scallion thanked the school team, the Mayor, and the City Council for a cooperative effort this year. She understands the challenges faced by the city and the concerns of the Finance Committee and the City Council. She prepared a level-services budget. As part of that process she received budget requests from principals that could not be funded. She highlighted the special education services offered in the city and expressed that this was lower cost than external alternatives. She briefly discussed technology needs. She thanked her team for doing the best they could in these challenging times.

Mr. Rix continued the presentation. He gave out revised budgets that highlighted the cuts made by the School Committee that brought the total budget request down to \$58,900,000 (over \$700,000 below the level-services budget, approximately \$1 million higher than FY16). He thanked his team, the School Committee, the City Council, and the Mayor. He discussed the process of creating the budget, several programs in the schools, money saving initiatives, transportation savings, special education services and funding, preventative maintenance, utilities, retirement savings due to recent early retirement incentive program (estimates the plan will save the budget approximately \$22,000 per retiree), school choice and charter school rates and initiatives to keep more kids in Westfield, and the state mandated deadlines for notifying staff of potential layoffs.

Councilor VanHeynigen asked Mr. Rix about the Contracted Services on page 22. Mr. Rix and Dr. Scallion explained what it was for and that the number really didn't increase as much as it looks due to reclassification of the expense (money moved between line items). Councilor VanHeynigen asked about the Professional Development on page 18. Mr. Rix explained that the old contracts called for 1% of salaries to be allocated annually for professional development of staff. The new teachers contract reduces that obligation. Exact number may change a bit going forward.

Councilor Bean asked about the early retirement incentive. Mr. Rix discussed the offers (\$15,000 and \$20,000 incentives paid over two years) and deadlines (June).

Councilor Flaherty discussed the Cherry Sheet revenue and expenses, and the fact that the state has allocated about \$33.5 million to Westfield School over the last several years. The City covers the rest after credits and debits for school choice, charter schools, and other specific funding. The City also pays for bonds and healthcare for employees and retirees. Based on the current Cherry Sheet and other estimates, the City portion of the School budget seems like it would be going up 3.68%. The cost of retired teachers' insurance is a charge-back on the Cherry Sheet. Councilor Flaherty asked Mr. Rix if he knew how much that was per retiree and if that expense was

included in the \$22,000 number. Mr. Rix said he didn't know off the top of his head and he would get back to the committee.

Councilor VanHeynigen asked about staffing levels and the email that Mr. Rix sent in response to Councilor Paul's request at the prior meeting. Mr. Rix confirmed the number of staff reductions in order to balance the budget. Several staff changes are expected, but the count will be as detailed in the latest version of the budget. Councilor Flaherty asked about the Voke aviation instructor position that was supposed to be added. Mr. Rix and School Committee members confirm that that is in the budget.

Councilor VanHeynigen asked if any new non-teaching positions were created within the school department in FY16. Mr. Rix indicated that he wasn't sure he could answer that question, and after some hesitation, indicated that he did not believe any such positions were created in FY16.

Councilor Dondley asked about the 80/20 split in the budget (80% employee cost, 20% expenses) when it was 82/18 a couple of years ago. He asked if that indicated employees were not as expensive as portrayed by others. Mr. Rix didn't said the numbers are what they are and that the school team has worked to produce a good budget. Dr. Scallion adds that the school system has lost over 100 employees in recent years. Mr. Rix talks about combining jobs and responsibilities. Councilor Flaherty mentions that there may be 100 fewer employees, but there are also over 550 fewer students and the budget is up over \$7 million annually over that period.

Councilor Figy asked about Unit D. Mr. Rix explains that is for para-professionals.

Councilor VanHeynigen asked if the incoming superintendent was involved in preparing the FY17 budget. Mr. Rix stated that the incoming superintendent was very involved in preparing the budget.

Councilor Surprise asked about Vocational education and transportation to out of district schools. Mr. Rix said the students provide their own transportation. Councilor Surprise asked about the grants in the budget and if it made sense to combine grant writing responsibilities between the various departments in the city. Mr. Rix explained the grant writing position and the dollars received as a result.

Councilor Flaherty asked about IEP's, ELL's, and % of low income. Dr. Scallion reports 18% of students are on IEP's (close to state average), 40% of students receive free or reduced lunch, and that Westfield has great burden due to high number of English language learners. Councilors and school team exchange brief comments about challenges in a gateway community and the need for more state aid to support these challenges.

Councilor Surprise asked about the free breakfast program that will start next year. Mr. Rix explains that food services are covered under a grant program and have special budget.

Councilor Bean thanks team and encourages advice from Finance Committee so that School Department can give adequate notices.

Councilors VanHeynigen, Flaherty, and Babinski express thanks to the school team. Councilor Babinski briefly talks about being a teacher and union rep, and now sitting on the other side of the table.

Councilor Flaherty discusses the goal of the Finance Committee to make recommendations that they feel are required to avoid massive tax increases, preserve limited funds, and address the needs for the future. He reiterates target of \$1.5 - \$2.8 million reduction across the entire city budget. He explains that schools represent about 65% of the budget. Nobody wants to make cuts to schools, fire, police, or DPW, but it's the only way.

At high end of target cut range, the schools 65% share would be in excess of \$1.6 million. Flaherty motions to recommend a budget reduction of \$1.2 million. VanHeynigen does not second, but counters with \$400,000. Flaherty does not second, but counters with \$800,000. VanHeynigen does not second, but counters with \$600,000. Flaherty seconds. Voted 2-0 to recommend a reduction of \$600,000 in the FY17 School Department budget. This will be presented to the City Council at the June 29th meeting.

Meeting adjourned at 7:10 PM.