

MINUTES
COUNCIL FINANCE COMMITTEE MEETING
WEDNESDAY, APRIL 14, 2016
2:00 P.M. – Municipal Building / Council Chamber A

1. **Call to Order.** S. Babine, Finance Chair, called the meeting to order at 2:05 p.m.
2. **Those Present.** Finance Committee Members present – Shawn. Babine, Finance Chair, Chris Caiazzo, and Peter Hayes; Council Members present; W. Donovan. Others present were Thomas Hall, Town Manager, also present various Town & School Administrators and other staff.
3. **Discussion Items.**
 - a. 2:05 p.m. to 3:15 p.m. – School Department, School budgets and capital projects (projects/equipment) were presented by G. Entwistle, Superintendent and discussed. No changes directed.
 - C. Caiazzo inquired if there was a rough dollar impact from the increase of Health insurance?

K. Bolton stated that the increase was \$150,000 for Health insurance not massive but
 - S. Babine inquired what are the items that are still in motion that will impact the School budget?

K. Bolton stated the items still in motion are the following: Health Care, Debt Service, Property & Casualty Insurance, Worker’s Compensation Insurance, Personnel Turnover and Teacher’s Bargaining Agreement.
 - C. Caiazzo inquired do you make an assumption for the budget before the negotiations are completed.

K. Bolton stated we are not able to set perimeters therefore we assume the structure will be similar to the current contract and that colas and steps will be similar. Also due to personnel turnover the person in a position in the fall may not be the same salary as the one leaving.
 - P. Hayes inquired if insurances are going up 8% on the School side does that reflect the same on the Town side?

T. Hall, Town Manager stated that it does not as they are in different pools. The School’s pool has a different component consisting of retirees that causes their pool to react differently.
 - P. Hayes inquired in the contract going forward is there a fixed contribution or to health insurance by the contracts.

K. Bolton stated that as it stands right now in the bargaining agreements it is a percentage. Most bargaining units say that the employer will pay 80% and the employee will pay 20%. In the past the School Department has negotiated that it would pay 80% of family coverage if that is what an employee needed. In most recent

negotiations the unions have agreed that if a spouse is eligible for insurance at their place of employment then we would not cover them. That is a cost savings for the School Department.

- P. Hayes inquired when is the last time that the marketplace was researched to see if the School could acquire a better rate.

K. Bolton stated that the School Department is not a very attractive pool for independent insurance companies. In part this is due to the fact that all retired teachers from Scarborough Schools are a part of the insurance pool and it is not just the current teachers. Through study and research the School Department has found that the Risk Pool for Maine Teachers actually is a good price.

- C. Caiazzo inquired if there is any indication from Augusta on the pending legislation up now to assist the mill towns and how it may affect EPS for the Schools?

K. Bolton stated that her understanding is that the intent is to add in to the EPS pool just the intended amount to be distributed to those towns.

T. Hall, Town Manager indicated that the most recent updates as of yesterday indicates that the assistance to the four mill towns is designated for one year expiration.

- S. Babine inquired regarding the four general categories items in motion on page 3 of the School budget narrative. Would it be reasonable to think that the results will be known by the end of April?

K. Bolton stated the property and casualty insurance is not expected to go up the expectation is for a slight decrease or status quo due to being out to bid. The Teachers Bargaining unit is scheduled to meet on April 26 therefore there will most likely be a better idea of where the bargaining agreement stands. The Finance Committee should have the information in question before their last budget review on May 11, 2016.

- P. Hayes stated on page 91 of the School narrative gives a summary of the surpluses from the year 2009 to 2015. From FY2012 - 2015 there have been some healthy surpluses generated through the budget process does that give the school some comfort going forward that the \$150,000 might be covered through this method?

K. Bolton stated that as a rule the School Department ends up with between \$300,000 to \$400,000 surpluses. As always we have a duty to stay within our approved budget regardless of what unexpected expenses come up throughout the year. With a budget as large as the school department it is imperative to be able to manage any unexpected situations within the actual budget.

- P. Hayes stated in the Capital budget there are items such as roofing & rugs for the elementary schools. How does that dovetail into what the long range plans are for the K-2 schools?

G. Entwistle stated that the schools have done a very extensive facilities evaluation. Along with the facilities evaluation a thorough evaluation of the student enrollment has also been done. At this time I would not recommend taking any of the K-2 schools off line for the next few years and would do the necessary facility repairs. The likely hood of taking any one of them off line would not make good sense. At one time we were

seriously thinking of taking facilities off line but determined it would not be feasible to do so.

- S. Babine inquired if the School would highlight the accomplishments in changing how the Budget changed to bring it forward and the process.

J. Shea stated that a lot of hard work went into changing the format that the School presents its budget. The narrative format has made much easier for the public to understand the process. It was a complete team effort to culminate the information into the final format. It is important for the community to understand what is happening in our schools.

- S. Babine stated the Finance Committee is grateful for the wonderful job that the school has done to present an informative budget.

- C. Caiazzo stated that the effort that went into providing the new format is outstanding and that being said the detail is still provided in the back of the budget book. This is a wonderful step forward in the process.

G. Entwistle stated that the value comes from the how the team has done their work. It comes from proposals that have originally been there to begin with. When reading the materials one can see the cohesiveness of the work done by the whole Leadership Team.

- S. Babine inquired can one assume going forward that there will be no Capital Projects for the Wentworth School such as roofs, windows, walls etc.?

K. Bolton stated that roofing, flooring, windows is on a five year plan of what facility needs repairs planned. So yes there are no plans for any major CIP items for the Wentworth School.

- T. Hall inquired about the Mission Critical Investment if the emphasis is at the High School and is that due to the change in schedules? How connected is the mission to the change in schedule at the High School?

- G. Entwistle stated that the Mission Critical Investment is totally immersed in the investment. Our student teacher ratio is not anywhere near what it should be. It will take a two year sequence to change schedules so students can get all the necessary classes.

- T. Hall inquired these new positions over the next two years is necessary to be able to offer the necessary courses for the students. It is my understanding that the existing staff would be unable to stretch their services to be able to offer the new opportunities?

- G. Entwistle stated that with the resources we have now that the new enhanced courses would not be able to be offered. The current staff is stretched to the max.

- T. Hall with that as precursor or suggestive to where the priorities will be in 2018?

- G. Entwistle stated that the priority in 2018 will be with the High School. It is the most important for change as it has been neglected for way to long.

- S. Babine inquired of Dr. Entwistle do you think that this budget as a whole addresses the notion that there is a cliff ahead due to the state funding piece.

- G. Entwistle believes that it is a large step forward in addressing those needs and the needs of the High School. By use of the fund balance there will be a softer landing or a more positive outcome.

- S. Babine inquired with this being Dr. Entwistle last Finance Committee before leaving Scarborough were there words of wisdom he would like to pass on?

- G. Entwistle stated that there has been great progress since he first came to Scarborough. The process has come a long way through the mutual collaboration we have become problem solvers.

- S. Babine thanked Dr. Entwistle for the contributions to the budget process. The last two years have been a more collaborative experience in making the process better.

4. Future Meetings & Agenda Items.

April 20, 2016 - (Library, SEDCO & Finance)
April 27, 2016 - (Public Forum)
May 4, 2016 - (Community Services, Administration & Public Works)
May 4, 2016 - (FY2017 Budget Public Hearing)
May 11, 2015 - (Staffing Proposal Review & Final Recommendations)
May 11, 2015 - (Town Council/School Board Joint Budget Workshop)

6. Public Comment. None

7. Adjourn. Motion by C. Caiazza seconded by P. Hayes to adjourn at 3:20 p.m.
Vote – 3 Yeas

Respectfully Submitted,

Colette A. Mathieson
Recording Secretary