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DATE: February 13, 2023
TIME: 8:56 AM

Warrant Committee Education Subcommittee
Joint Meeting with the School Department Administration and select members of the School Committee
October 11, 2022 8:00 AM
Remote Meeting via Zoom

Meeting Minutes

Members in Attendance

Warrant Committee Education Subcommittee: Bill Anderson, Anne Helgen, Laurie Slap, Matt Taylor, Jack Weis

School Committee: Mike Crowley, Jamal Saeh

School Department Administration: Superintendent John Phelan, Finance Director Tony DiCologero

Others: Geoff Lubien

Call to Order

The meeting was called to order at 8:02 AM.

Review of FY 22 Q4 Financial Results

Tony began by going through the slide deck that he presented to the School Committee on October 4th. As shown in those slides, overall, the School Department had a \$690,000 positive variance for FY 22. There was a \$645,000 positive variance in salaries that was primarily attributable to turnover savings. There was also a \$400,000 positive variance in fringe benefits which was attributable to both a lower salary expense, fewer enrollments in the health insurance plan than were budgeted, and lower unemployment claims (which are paid for by the School Department, not the state). Somewhat offsetting those positive variances was a \$355,000 negative variance in non-salary expenses, almost entirely due to the cost of renting tents last year for COVID-related social distancing.

Tony then walked through the traditional Excel spreadsheet that presented the numbers in more detail. Key points from this discussion included:

- There was about a \$150,000 positive variance in aggregate teacher salaries. That number includes the impact of the final settlement of the union contract in June 2022, which was largely on target with what the School Department had projected.
- Administrative salaries were slightly negative. That reflected the fact that two principals left and were replaced by two individuals commanding slightly higher salaries.
- Support salaries were slightly positive, which was primarily attributable to positions being filled during the year, thereby incurring less than a full year's expense for those positions.
- School expenses and district-wide instructional expenses were only about 75% of the budgeted amount. The administration volunteered that they would be revisiting the budget for these line items in FY 24.
- District support expenses had a negative \$640,000 variance, primarily, as previously noted, because of the tent rentals, as well as some close-out expenses related to the wind-down of the EdCo Collaborative.
- The SPED salary and non-salary lines, in aggregate, had a negative variance of \$30,000. (The salary and non-salary lines should be looked at together, because the difference between

the two is merely how the outside vendor reflects the expense.) The slight negative variance reflects the continued challenges from the post-COVID recovery.

- The \$690,000 positive Q4 variance is about \$150,000 less than the \$850,000 positive year-end variance that was projected at the end of Q3. That difference is largely due to the impact of the teacher union contract settlement, which was not included in the Q3 projections.

Tony then turned to the revolving accounts. Key points discussed regarding those funds included:

- The accrual from operations for the various accounts for the year totaled approximately \$970,000.
- \$748,000 of that positive variance was in Food Service. That positive variance is due to universal free lunch. Every meal served received a reimbursement from the federal government. Because of free lunch, meal participation by students was up. Yet departmental costs were down, primarily because there were open positions on the cafeteria staff that the department couldn't fill. (The most recent contract increased the salary for food service workers, which should allow the department to fill the open positions.)
- The BHS Athletics revolving account had a positive variance of about \$95,000. This was primarily due to the department putting certain normal/regular expenses – such as new uniforms – on hold, not knowing what participation levels and program costs would be like coming out of COVID.
- The \$55,000 positive variance is summer school is partly timing (the department receives the tuitions in FY 22, but the expenses are incurred in FY 23). In addition, the summer of 2021 (FY 22) was a bit of a down year given COVID and some FY 22 expenses were covered by ESSER.
- Regarding school building rentals, John noted that they have started to see new rentals coming out of COVID. That prompted a brief discussion about the School Department not charging for the use of its recreational facilities. John stated that that policy will be revisited with the School Committee in the year ahead.

There was a very brief discussion regarding grants, with John merely noting that they were largely used as anticipated. This topic will be covered in more detail when we discuss the three-year SPED model.

FY 24 Budget Preparation Process

John walked through the Budget Process Framework slide deck that was presented to the School Committee on October 4th. The starting point for the budget process is a “reasonable level service” budget. That engendered a robust discussion about the challenges in translating that concept into budget numbers.

Per John, there are four areas of focus in developing that level service budget:

1. The General Fund staffing level, including both rollover costs for the existing staff as well as any new positions that might be needed to maintain level service.
2. The federally-funded positions that need to be extended and carried over next year.
3. The new costs associated with opening the new upper middle school on the high school campus. As it relates to staffing, John stated that, for the most part, the task is mostly one

of reallocating staff between the two buildings, but there will be some new needs. As an example, he cited that there will be a need for more custodians, given that there will be more square footage. This topic will be discussed in further detail with the School Committee on October 25th.

4. Projected out-of-district tuitions and how much of those projected FY 24 expenses to cover out of carried over reserve balances versus the General Fund. The department plans to present a new three-year forecast/model to the School Committee in November or December and hopes to finalize the number in January.

There was a brief discussion about how the Ed Subcommittee should interact with the School Committee during the budget development process – for example if and when we should have joint meetings with the full School Committee meetings or separate meetings with a subset of the committee. Jack will follow up with Mike Crowley to discuss further.

Adjournment

The meeting was adjourned at 9:39 AM.