

Finance Committee Meeting
Minutes, September 17, 2015

Present: Deirdre d'Albertis, Tom Burnell, Joe Phelan, Deirdre Burns, Mark Fleischhauer
(Mark had to leave the meeting for a call for part of the meeting).

1. Cafeteria Report as of 6/30/2015.

Year end report:

The committee was very happy to see tremendous improvement in stanching cafeteria program losses. Tom shared year to year financials for comparison:

6/30/2014: program net loss close to \$70,000

6/30/2015: program net loss just under \$10,000

other highlights:

- Slight decrease in total sales from 2104 to 2015
- Savings seen in food purchases - inventory under control, efficient purchasing
- Type A breakfast sales up (popular bacon, egg and cheese no longer meets federal guidelines - upside is that the Type A breakfast is reimbursable)
- No more vending except for water
- A few more federal changes - less sodium and fat
- Month to month report 2014-15: trend shows increase in sales throughout the year.

other:

- Larry Anthony to be at every Open House.
- MySchoolBucks payment system to be online soon.
- Increased costs this year for new recyclable trays and Hudson Valley Fresh milk (although grant applied for to cover most of this increase).
- Notices going out to families who owe the district more than \$32.50 (10x the price of a meal) notifying them that they have until Oct 1 to get account up to date. Tom will include free and reduced meal program application with notice and will work with principals if there are other mitigating circumstances making it difficult for families.
- Children whose families are in arrears will receive a PBJ or cheese sandwich.

M and T Bank Collateral Agreement.

Tom informed the committee of what this agreement is and some recent history.

- M&T Bank holds most of the district's deposits (25 million at end of year). FDIC insures \$100,000. Banks collateralize deposits, i.e. provide securities that can be sold on the open market to cover losses in the event the bank were to fail - typically, t-bills, municipal bonds, etc that total 102% of deposits.
- M&T has presented Tom with an updated agreement. Tom has had some concerns about the types of securities listed (such as in real estate, which can be volatile). Tom Murphy, VP of municipal banking at M&T insists all other municipalities that they deal with have signed it. Our attorneys will review it and Tom will sign as district representative. No board action required.
- Tom expressed concerns about the possibility of M&T Bank starting to charge for various transactions. This could add a potentially big expense to our budget. Need to keep an eye on this.

- Tom informed the committee that the district can not use a non-commercial bank or credit union.

3. Preliminary budget figures for 2016-17.

Committee discussed very preliminary figures in budget development and the challenges in a budget cycle with predicted very low allowable tax levy growth.

- Very rough estimate based on limited information: Tom estimating .48% *allowable tax levy increase*, which would be \$126,102. Unknowns: CPI, tax growth figure
- Broad brush estimated budget with conservative increases based on needs: 3.25% *budget increase*, which is just over \$1,000,000. Unknowns: health insurance costs, TRS, Medicare premiums for retirees may go up, etc. (ERS contribution decreased)
- State Aid: way too early to tell (Tom attending initial seminar next week)
- Potential significant savings to be realized in transportation budget if this 2015-16 contract works out. Needless to say, still early to tell if the savings achieved by the lower bid can be repurposed or if we need to add additional resources to our transportation program. Until the buses are running optimally, it is not yet possible to make this assessment.
- Discussion about next steps. Is it appropriate to even ask for wish lists developed by admins in this very tight budget cycle? As well, with various new programs already added the past couple of years, it seems reasonable to have a year to pause and take stock. And need to set expectations. Tiered cuts list needs to be looked at anew. Assess efficiencies - getting the most out of budget lines. Creative thinking is needed to address this large gap with as minimal impact on program as possible. On the one hand, with such a potentially large gap between budget and tax levy growth, the difference will not be reduced through nibbling at the edges. However, it's still quite early, more information is needed and we don't want to create an environment of panic and stress in our school community.
- Should we ask admins to develop a budget with a certain percent of cuts? The committee feels that we should stick with a rollover budget that demonstrates what we need to adequately maintain programs. If our starting point is a budget that already has cuts, we will not get a clear picture of the consequences of a tax cap and inadequate state aid.
- When should we meet with community groups (per our board goal) to engage them in this discussion? With so many unknowns, maybe wait until January - after first draft budget.
- For discussion among full board: a wish list this year?

4. Discussion of bus transportation problems and financial impact.

- A small bus will be added to a route on unpaved roads near Kansas Rd. However, AE needs a driver.
- Tom working with bus drivers on efficiencies in routes. This has been somewhat difficult when buses are arriving late, having mechanical problems and using substitute drivers. Tom will continue to monitor routes and timing.

- Tom informed the committee that the district does not receive state transportation aid on buses that travel within 3 miles of BMS/RHS and 2 miles for CLS. Routes have been developed to maximize state aid.
- New buses are expected within a matter of weeks.
- As previously discussed, ultimate transportation costs expenses/savings to still be determined.

Respectfully submitted by Deirdre Burns