

Finance Committee Meeting

February 23, 2017

Attendees: Joe Phelan, Tom Burnell, Diane Lyons, by Phone: Mark Fleischhauer and Steve Jenkins

Cafeteria profit and loss - The cafeteria is running at a cumulative loss of about \$21,223.30. This is in part due to the need to replace a freezer. The program is doing much better than it was just three years ago, but the committee did have a discussion about other possibilities, given the current financial climate.

The group discussed the idea of bringing in an outside vendor. The district did have an outside vendor several years back that had a cost-neutral agreement with the District, but the food quality did suffer and students and parents were not happy with the program. We then discussed a local vendor or something like a Subway. The District is under no obligation to participate with the USDA School Lunch program. However, not participating means no reimbursement or surplus product for the District. This would not allow us to provide free or reduced meals.

The District currently has about 18% participation in those plans or roughly 200 students, which accounts for about 50% of the meals served. The committee felt strongly that we did not want to take that program away. Tom and Larry are always looking for ways to improve and grow the current program. Tom thinks the afterschool program will pick up again with spring sports starting soon, and we talked about making the staff menu available for HS students.

2016-2017 Estimated expenditures - Tom presented the estimated expenditures for the 2016-17 school, and projects that the District will underspend the current 2016-17 budget by an estimated \$1,207,319. This number is consistent with past years. Tom is still looking at what the best options are for using that money. Tom would like to get us back to spending 97% of the budget instead of 98%. This would give us a little more breathing room.

2017-2018 budget development - We are still waiting on health insurance numbers and any state aid changes, but everything else is in. We currently have a gap of about \$585,000. Tom has gone through the budget and there is nothing else to take out that would not affect the fund balance.

Tom and Joe have been working with the administrators on making a cut list. It will be very difficult to close the gap this year. Joe is working with the Board's wish to keep staff at a full time level and avoid cutting programs for students. The committee discussed some options and the difference between impacting programs and cutting programs.

It does not appear that we will need to cut any programs entirely but, for example, we may have to cut back on the number of sections a certain class is offered or maybe offer some courses every other year. We are still offering the class but some students may not be able to take it because of lack of scheduling flexibility. The difficulty is that this is not a one year problem - it

is our new reality. Is there a way to avoid going over the tax cap every year and what cuts really rise to that level?

Additional 2017-18 budgetary items that may need to be adjusted for next year are to create a line item to transfer funds to the cafeteria. There could be an increase to the number of students enrolled for occupational education, as more students seem interested in the program than we currently have budgeted for. However, final numbers are not in yet for actual enrollment.

Tom reminded us of the year 2021, when the cost of the capital project debt service will kick in. Tom is working on setting a meeting with M & T Bank and the committee soon to discuss having them collect taxes for the District.

Next Meeting: March 16, 2017

Respectfully submitted by Diane Lyons