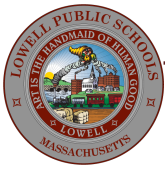


Ms. Turner then spoke about the budgeted expense offsets. She stated that the budget included approximately \$6,686,938 in offsets (reductions) to the General Fund. This includes offsets to the Food Service Revolving fund, use of Facilities fund, ERATE, and PEG funds. The Food Service offset of \$1.59 million needs to be modified due to DESE clarification on the regulations dictating what is allowed for direct and indirect costs. Since custodial salaries are included in the DESE calculation of our indirect cost rate, we cannot charge as a direct cost as it would be double counting. In addition, Ms. Turner confirmed that paraprofessionals could be charged to direct food service costs. The decisions above from the DESE demanded the recalculation of the food service offsets listed in the budget. The offsets have been reduced from \$1.59 million to \$1.27 million resulting in a \$323,821 impact to the General Fund. The budget also includes \$421,760 in Use of Facilities offsets that is projected that the budgeted expenses will exceed the estimated revenue. This is an impact of \$110,000 to the General Fund since we need to fund the projected shortfall. The telephone account was offset by \$125,000 with a footnote that this was due to an expected ERATE reimbursement. ERATE funds are issued to the City and we would have to request these funds after the free cash is certified. The City CFO advised the School Department to fully fund this account. Even though we can request the funds after the free cash is certified, we need to fund this account. She also spoke about the calculations for telephone costs that are closer to \$190,000 as opposed to what was budgeted for. The Audio Visual department's approved budget was for \$542,875. Two (2) employees are no longer with us. The City's budget only covers \$108,000 of the other two employees, however, the \$250,000 in non-personnel costs were not covered by our General Fund budget or the City budget.

Ms. Turner then spoke about the Unfunded Sick Leave buyback. Ms. Turner looked at six (6) years of actuals and stated that the district spends an average of \$1,200,000 per year. Deferring \$500,000 to next year will force the district to close a \$1,000,000 gap without even considering revenue issues or raises faced next year. Though this deferral of cost may help us immediately, it will cause even bigger problems next year. The Health Insurance budget included offsets that are not allowed. The known impact at this time is \$100,000. Ms. Turner noted that the offsets also include a \$490,000 reduction to funding for FTE reductions. This was based on an estimated per person amount for each FTE. There is no documentation showing verification that these people were part of the health insurance plan and budget. Ms. Turner will be meeting with the City to prepare a detailed analysis of how many people were included to ensure that this account is adequately funded. Also, the Transportation budget doesn't have any supporting files or documents to show how the budgeted numbers were deciphered. Mr. Descoteaux, Assistant Business Manager for Transportation and Ms. Turner met and created a budget based on known needs as they stand now. In conclusion, Ms. Turner stated that in addition to the issues she discussed there are numerous other unfunded and/or underfunded costs. Some include the additional cost of the audit, a significant reduction to the fund used to settle grievances, including, but not limited to Article 16G claims, and Aramark bills from April, May and June 2018 that were forwarded to this year's budget which total approximately \$1.4 million dollars.

Committee members asked questions about the City receiving the ERATE funds and the district having to request the funds after free cash is certified. Ms. Turner stated she believes it has something to do with the Modernization Act that has changed the process. They also asked if the DESE gave guidelines regarding what can be charged to direct and indirect costs. Ms. Turner stated that the DESE does provide guidelines.



They spoke about possibly reducing some other positions that aren't direct services to children to hire positions that are direct services to students and looking at the Title 1 budget for possible funding. Ms. Turner stated that she will continue to update the Committee regarding the budget at the next School Committee meeting.

Ms. Martin made a motion accept the Budget Update as a report of progress; seconded by Mr. Lay. 7 yeas APPROVED

3.II. Consideration of Reduced Positions Relative to Budget Report

No action was taken on the report.

4. COMMUNICATIONS

4.I. Revised Invitation To Lowell Day School Grand Opening

Ms. Doherty made a motion to accept the communication and to place it on file; seconded by Ms. Martin. 7 yeas APPROVED

Mr. Nutter made a motion to suspend the rules to discuss Opening Day of School; seconded by Ms. Doherty. 7 yeas APPROVED

Mr. Nutter asked about water issues in the Lowell High School 1980 building. Acting Superintendent Durkin stated that they have been resolved. He also inquired about the PA system at Lowell High School and stated that he was told the clocks haven't worked since last Monday and said the Freshman Academy phones haven't been working.

5. EXECUTIVE SESSION

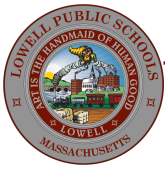
Ms. Doherty made a motion to recess at 7:13 p.m. and to enter into Executive Session for the purpose of Collective Bargaining-SEIU and consideration of MOA to the Title One Director, public discussion of which may detrimentally affect the School Committee's position, and to adjourn Executive Session; seconded by Mr. Hoey. 7 yeas APPROVED

5.I. Collective Bargaining

1- Collective Bargaining-SEIU

- a. Update and Decisions on Library Aides' bargaining proposal related to retirements and resignations.
- b. Update and Decisions on Mediation in Regard to Clerks' Contract and Clerks' latest proposal for successor contract.

5.II. Consideration of MOA Relative To Title One Director



6. ADJOURNMENT

Ms. Doherty made a motion to recess at 7:13 p.m.; seconded by Mr. Hoey. 7 yeas Approved

Respectfully submitted,

**Jeannine M. Durkin, Acting Superintendent and
Acting Secretary to the Lowell School Committee**

JMD/mes