



Lowell City Council

Finance SC/School FSC Minutes

Michael Q. Geary
City Clerk

Date: September 25, 2018
Time: 5:30 PM
Location: Mayor's Reception Room
City Hall, Lowell, Ma.

PRESENT:

Present on Roll Call were C. Elliott, C. Milinazzo, C. Nuon, SC Nutter, SC Descoteaux and SC Lay. Also present were Conor Baldwin (CFO), City Manager Donoghue, Heather Varney (Asst. CFO), C. Conway, Bryan Perry (Auditor), M. Samaras, SC Doherty, Rodney Conley (Treasurer), C. Kennedy, C. Leahy, Billie Jo Turner (School Finance), C. Mercier, C. Cirillo and Jeannine Durkin (Supt. of Schools).

MEETING CALLED TO ORDER:

C. Elliott called the meeting to order.

ORDER OF BUSINESS:

C. Elliott noted upcoming vote regarding Chapter 70 money and requested Manager Donoghue give prospective with regard to City financial position. Manager Donoghue noted the current report provided to the Council entitled "Joint Finance Subcommittee" dated September 25, 2018. Manager Donoghue commented on the following cost control measures: no new hires without review; no costs over \$1,000 without approval; and supervision of overtime. C. Elliott commented on budget indicators which caused the controls to be put in place. Mr. Baldwin noted fund balance at current level where quite different than prior years. C. Elliott questioned ability to fund Stabilization Account. Manager Donoghue noted Free Cash would be a lesser amount this year so that may raise funding issues. Mr. Baldwin commented on snow/ice deficit plan for current year as well as use of Free Cash. Manager Donoghue noted a significant judgment against the City regarding Grand Manor Condominiums. Mr. Baldwin review prior report with the body outlining budget trends; tax revenues, future revenues/Ch. 70 funds and fixed costs. Mr. Nutter commented on the issuance of Ch. 70 funding. C. Milinazzo noted that City contributes to schools beyond Ch. 70 funding. Mr. Nutter noted the difference between cash and maintenance of effort and that there may be a need to eliminate adult education from



their budget as well as reducing transportation costs. Manager Donoghue noted the impact upcoming trash contract with recycling efforts will have on future budgets.

Ms. Turner presented budget projection for the schools by providing memo entitled "Summary Update for Joint Finance Subcommittee Meeting". Mr. Nutter provided budget review. C. Elliott questioned starting point regarding underfunding causing layoffs. Mr. Nutter commented on the layoffs. Supt. Durkin noted attempt to provide full staffing was done before full financial review which altered the picture. Ms. Turner noted that there is still a review going on and a number of revolving accounts are not funded sufficiently to pay outstanding obligations so there may be further cuts. Mr. Nutter noted issue regarding unpaid bills from last year budget so there is no budget surplus with the schools. Ms. Turner noted that there are some funds that do not have sufficient money in them and there are some funds with no balances in them so nothing can get paid. Ms. Turner noted over the last two years there has been excessive overcharging of accounts. Ms. Turner noted there could be assistance from the State regarding indirect costs however there is still liability on the City's part. C. Milinazzo noted that a full review has not been completed. C. Leahy questioned reimbursement to food account. Ms. Turner noted issues regarding grant funding, underfunded accounts, unpaid bills and funding sick leave buybacks.

ADJOURNMENT:

Motion to adjourn by C. Nutter, seconded by C. Elliott. So voted.

Meeting adjourned at 6:29 PM.

Michael Q. Geary, City Clerk
