

MINUTES
BUDGET ADVISORY COMMISSION
June 2012

Members Present:

Andy Clary
Amy Demboski
Shirley Nelson
Bill Webb

Bob Griffin
Jim Bailey
Liz Vasquez (arrived 12:40)
Joe Riggs
Al Tamagni

Guests:

MOA: Cheryl Frasca, OMB

ASD: Kathleen Plunket, School Board
Chad Stiteler, CFO
Marie Laule, Budget Director

1. Meeting called to order by Chair Clary – 12:00 pm

2. Roll Call: 9 members present

Greg – excused

Tom Smith – excused

3. Approval of Agenda – approved no objections

4. Approval of May 2, 2012 regular meeting minutes – approved no objections.

5. Reports:

a. Assembly – none given

b. OMB – Cheryl

Departments are working on 2013 scenarios that are due in June. Right now there is not a lot going on. The education summit is tomorrow and Thursday. Bob and Shirley will be in attendance.

c. ASD – Chad – Working to close out the current fiscal year (closes June 30th). Will be putting forward “clean up adjustments” to the board; there are no allocations or requests. There are workman comp claims that are about a million dollars over budget. They are shifting money

“here and there”, but there really isn’t anything new. The final draft of the budget that was presented at the last board meeting will be submitted with minor changes.

d. School Board- Kathleen Plunkett: New school board should be sworn in on June 11th. Jeanne Mackie will likely be nominated for Board President. Kathleen will likely stay on the audit committee and as treasurer of the school board.

Chair- Met with Gretchen and Jeannie regarding how the BAC can help; possibly come up with a list of in-sourcing, outsourcing and process improvements that may be able to be improved. Legal was raised as a possible issue: no lawyer on staff – everything has to be outsourced.

Al- Are there any estimates on the cost of hiring an attorney and secretary?

Group discussion on making a legal department at ASD. Per Chad, it is a general process (currently use Jermain, Dunnigan & Owens). Carol’s direct staff has the ability to direct legal contracting, as well as the Superintendent, Asst. Superintendent, and Pam Chenier the purchasing and warehouse director. Cheryl: the Muni also has been looking at this at a possible cost saving ability. Legal and risk management could both be possible shared service between the MOA and the ASD.

Group discussed developing a list of possible shared services and outsourcing opportunities. A good starting point may be to discuss what is currently outsourced and look for possible “low hanging fruit.” For our August meeting we will come back with some ideas.

6. ASD Budget Increases

Chair- Draft memo that was sent to the board is before us.

Shirley – Asked: under the general fund, where is the justification for only appropriating \$10 million, where is the other 1+ million. Chad: Because of the timing of the money we received, it is more valuable to discuss what is relevant for FY2013 budget, not just what is ongoing. Anytime we add a position, with onetime money, that is the position that would be cut next year. The goal is to differentiate one-time money from reoccurring costs. Through the federal education jobs bill they kept about 85 positions. That made this year’s budget shortfall more difficult (\$7 mill shortfall). We received 11.4 mill from the legislature; however, there are additional adjustments approved by the board, there are funds that were overstated, so we had to reduce revenues. Ultimately, ASD overstated revenues of \$1.3million.

Shirley- Because you overstated the budget by 1.3million, you had to take 1.3 million from the 11.4 million and this was money that ASD had already used. A: Yes the money was overstated but, no it wasn’t spent yet.

Chad overview of table on page 9. The biggest adjustment is the \$5 million for federal impact aid; they have better information and expect that they had overestimated this \$5million. They are

also recommending a \$1million adjustment to the fund balance usage (so now they will use \$6 instead of \$7 million. Anticipate about a \$21 million cut in services (even though in dollars the budget will go up).

Group discussion on the draft memo.

CTE – 1.8 million given by the state, but the district already has a robust CTE program. Even if we choose not to use the 1.8 million, we are still improving CTE services. The administration believes because of the change in services at the school level, it is a better use of money to keep a constant level in the classrooms. Kathleen: The state increased it, but the board wanted it to be high school and middle school.

Food service – Why do we have to create a new position. A: compliance, process, and performance reviews: great city schools recommendation: recommended to add a position. (this is an administrative business position, it will drive more of a for profit effort in the school meal programs.(may help with increase in sales and reduction in costs).

Were any grants given by the state iterated with recent bonds? Was state money given for projects that were already bonded? Not sure off the top of his head (Chad).

The meeting is next Monday and members that would like to make comments could attend the school board meeting; this will also come before the assembly.

7. 2013 Budget Shortfall

Cheryl: page 20 of the handout: this was a result of the work session with the Assembly.

Discussion of Muni code 3.70 (this governs what guides what can be bargained).

8. BAC member comments

Bob: A performance metric on how we are doing overtime, both for the city and school district, could be a view of local cost per student and local cost per resident.

Liz: Internal auditor position/department is important for a budget of this size (referring to ASD). According to Marie there is still discussion about filling this position.

9. Upcoming meeting dates

- **August 8 , 2012**
- **September 5, 2012**

10. Meeting Adjourned – 1:20