



Lowell City Council

Finance SC/School FSC Minutes

Michael Q. Geary
City Clerk

Date: October 30, 2018
Time: 5:30 PM
Location: City Council Chamber
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, C. Conway, Bryan Perry (Auditor), SC Doherty, SC Martin, Billie Jo Turner (Asst. Supt. Of Schools), C. Leahy, C. Mercier, SC Hoey and Jeannine Durkin (Supt. of Schools).

MEETING CALLED TO ORDER:

C. Elliott called the meeting to order noting prior meetings held.

ORDER OF BUSINESS:

C. Elliott noted it was important to continue discussion regarding school budget. Manager Donoghue reported on PEG funding as well as transportation costs for school busing. Mr. Baldwin commented on current fiscal year noting the DOR will be reporting free cash soon and then a tax rate can be set. C. Elliott noted constraints on City budget. Mr. Baldwin noted a two percent tax increase correlates to 1.6 million dollar addition to budget. Manager Donoghue commented on executed and current union contracts. C. Nuon commented on remaining union contracts. SC Nutter noted the shortfall on the school budget and that discussion should be how that will be corrected and not discussion of causes. C. Elliott noted it was important to oversee this budget due to its status. SC Nutter noted the need for the City to correct the issue. Manager Donoghue noted the City's fiscal challenges further commenting that the City has not walked away from schools but in fact has been financially responsible in funding and providing for the school system. Manager Donoghue noted that there is simply no money to dig the schools out of the problem the school administration has created. C. Elliott noted the financial obligation by the City to the schools commenting that the well has run dry and that the school administration needs to address their issues at their level. C. Milinazzo commented on the memo regarding PEG funding and how it correlates with Net School Spending. Mr. Baldwin



outlined how the fund operates and the accounting that is used to disburse funds. Mr. Baldwin noted a MOU between the schools and the City regarding funding formulas. SC Nutter questioned "Old School Revolving Account" operations. Mr. Baldwin outlined the historic accounts. Ms. Durkin commented on union contracts, approach to budget solutions and administrative positions that have not been filled. Ms. Turned commented on solutions to resolve issues including pay back terms to State regarding food service accounts. Ms. Turner reviewed transportation costs and the reason for shortfall in the budget. SC Ley questioned if such shortfalls were accurate. Ms. Turner noted that it was accurate and that money is going out the door. SC Nutter commented on the day school changes and effect on transportation costs. Ms. Durkin commented on plan to abandon desegregation scheme laid out by the Federal Courts and to return to neighborhood schools to lower costs. Ms. Durkin indicated that if the Charter School changes school hours that will significantly raise transportation costs if City does not follow suit. C. Elliott noted that the desegregation plan should be vacated. Ms. Durkin noted that process should move slowly if it is to be effective. SC Nutter noted that process has begun in small increments. C. Milinazzo commented on food service audits. Mr. Perry noted prior audits indicated issues with use of the fund and those warning were not followed by the school administration. C. Leahy supported the return to neighborhood schools. SC Nutter noted challenges to returning to neighborhood schools. C. Elliott recognized it would be a big task with pain but the final result would be worthwhile. Ms. Turner provided further break down of transportation costs. C. Leahy noted costs of special education and that they must be reviewed but services must remain. Ms. Durkin assured the body that all special education plans are being implemented. SC Doherty requested further assistance from the City to overcome the shortfall. C. Elliott noted that 75-80% of the school budget is salary and that increase in salary without proper budget funding has created the issue. SC Hoey commented on salary increases.

ADJOURNMENT:

Motion to adjourn by C. Nuon, seconded by SC. Nutter. So voted.

Meeting adjourned at 6:30 PM.

Michael Q. Geary, City Clerk
