

Town of Longmeadow Finance Committee

Our Mission, as taken from the town charter. The Finance Committee shall be an advisor to the town meeting...shall have jurisdiction over the reserve fund...shall conduct long range fiscal planning...shall advise on fiscal policy...shall direct the budget review process...and shall advise the town's voters on budget sustainability to meet town service needs.

Minutes of the Finance Committee for Tuesday, February 15, 2011

Held in the Adult Center Recreation Room

Call to Order: 7:00

Members Present:

Peter Greenberg, *Chairperson*; James Law, *Vice-Chairperson*; Michael Clark, *Clerk*; Mark Barowsky, Richard Liasse; Edward (Ned) Steiger; Roger Wojcik

Members Absent:

Edward (Ned) Steiger

Others in Attendance:

Sue Bertrand, Tom Mazza, Marie Doyle, Paul Pasterzyck, Ernie Welker

Motion to Accept the Minutes of January 27, 2011

The motion passed 6-0, as amended.

School Budget Presentation

Marie Doyle gave an overview of the power point presented at the School Committee Meeting on 2/14/11. She noted the increase in EdJobs money. She also noted increases in transportation costs, \$241,000 in technology being transferred from the town, legal fees, step increases, reduced special education salary lines, and increases in professional salaries.

Marie spoke about the Admin Team meeting which developed priorities surrounding maintaining reasonable class sizes. She also spoke about prioritizing RTI so that the town will not incur the cost of Special Education as the student gets older. She noted that Music was held harmless in the FY12 budget and that based on the Town Managers directive, the School Department will maintain a stable work force.

Of note is that Tom, Sue, and Marie all spoke to the areas that DCP does not address, and to combat that shortcoming, the School Department will reduce paraprofessional and add 3 reading teachers and 2 assistants.

Sue spoke to the shockingly high cost of out of district placements and said that a significant number of students leaving for behavioral controls and substance abuse language based learning disabilities.

Discussion of Other Post Employment Benefits

Peter brought up the proposal of a line item to find OPEB at spring town meeting and asked the Finance Committee to take a position on that.

The Committee began discussing OPEB with Audit Committee Chair Ernie Welker. Of note in the report is a \$4 million reduction in the liability due to outsourcing School Lunch and moving retirees on to Medicare.

Ernie said that this was one of those easy situations to punt down the road and indeed the reason we have a liability is for OPEB and pensions--15,000,000 (being funded through assessments). Ernie indicated that he thinks that OPEB should be addressed. He referenced a Moody's article about funding OPEB at the state level.

Michael asked if we are meeting our obligations to current and retired employees, Paul responded in saying that we are in fact doing this. It was noted that we pay 50% of the cost of retiree health benefits.

There was concern that funding OPEB at the level that the Audit Committee would like the town to would result in sitting on \$40 million that we will not be drawing down.

Michael also asked if it was worth funding the OPEB trust over other obligations such as infrastructure and positions especially if we are meeting our current obligations?

Roger suggested funding OPEB out of employee benefit turn backs. At which point Michael suggested the committee develop a policy recommendation for the Select Board surrounding funding OPEB at fall town meeting. After some discussion on the language, the motion was made and amended as follows: Recognizing that the Longmeadow Finance Committee is charged by the Home Rule Charter to conduct long range fiscal planning, the Committee makes the following recommendation to the Select Board:

Understanding that the Town of Longmeadow's long-term liability known as OPEB (Other Post Employment Benefits) remains unfunded, the Finance Committee recommends that the Select Board fund OPEB with a contribution of no less than \$150000.00 per fiscal year. This payment to the OPEB account should be made at the Fall Town Meeting so that the amount to be committed is transferred out of available funds.

This motion was passed by a 5-1 vote with 1 member absent.

Future Meeting Dates and Adjournment

The Finance Committee Scheduled two meetings:

Tuesday, March 8, 2011 at the Fire Department for the review of the Town Manager FY12 Budget

Wednesday, March 23, 2011 at the Longmeadow Adult Center Dining Room for the review of the Adopted FY12 Budget, Budget Hearing, and Warrant Article Recommendations.

Meeting Adjourned, 10:15pm
Submitted by Michael Clark, Clerk

