Call to Order

Mr. Meek called the meeting to order at 6:30 p.m. and stated that members in attendance were as listed above, and there was a quorum present.

Mr. Meek began the meeting with comments on the budget as recently reported in the press, and explained the $18 million that’s being discussed as a surplus is not a surplus, it’s actually a fraction of that--much less than 25%. He added that the Common Council set a budget cap that is $300,000 short from fully funding the Board’s request, and they will continue to look for this difference from other places.

Food Services Pricing

Mr. Hamilton referred to his memo and outlined the following:

As you will recall from the 2015 audit, under the Federal Child Nutrition Program, the District needs to adjust its current meal prices to meet the minimum charge as determined by the US Department of Agriculture. It was determined that in FY 2014-15, the District was $.02 below the minimum amount, and that an adjustment to meal prices is necessary to comply with our federal grant requirements.

In addition, based on recent history, the Food Service operation is not presently operating on a break-even basis. As noted on the attached revenue and expense analysis, for FY 2014-15, the District was required to make an $85,000 operating subsidy to Food Services. In order to avoid having to divert educational resources into Food Service operations, I believe that the District should seek to maintain this operation on a break-even basis. I have proposed increasing our meal pricing for FY 2016-17, therefore, by the amounts noted on the attached pricing sheet.

Mr. Barbis entered the meeting at 7:45 p.m.

There was discussion on the history of price increases followed by comments on the food quality and parent satisfaction. Mr. Iezzi noted that there is an RFP in process to go out to bid for the school lunch program provider.
The following chart of proposed price increases by grade level was presented as follows:

<table>
<thead>
<tr>
<th>SCHOOL NUTRITION PROGRAM - PROPOSED PER MEAL CHARGES FOR FY 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td># of meals</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>13,112</td>
</tr>
<tr>
<td>Current Cost per meal</td>
</tr>
<tr>
<td>Total Current Revenue</td>
</tr>
<tr>
<td>Proposed cost per meal</td>
</tr>
<tr>
<td>Projected Revenue</td>
</tr>
<tr>
<td>Increased Revenue</td>
</tr>
</tbody>
</table>

** MR. ANDERSON MOVED TO APPROVE THE PRICE INCREASES AS PRESENTED AND TO FORWARD ON TO THE FULL BOARD FOR APPROVAL. 
** MOTION PASSED UNANIMOUSLY.

Budget Issues -- FY 2016-17 Budget

Mr. Meek reiterated his opening comments on the budget and explained the $18 million that’s being discussed as a surplus is not a surplus, it’s actually a fraction of that--much less than 25%. He added that the Common Council set a budget cap that is $300,000 short from fully funding the Board’s request, and they will continue to look for this difference from other places.

There was discussion on the explanation of the insurance reserve. Mr. Anderson explained that when the BET would talk insurance surpluses it wasn’t necessarily something that was intended to draw down upon the minimum that we had in insurance surpluses.

Mr. Barbis outlined that it is actually $14 million; when you subtract $3 million for Sp.Ed. overruns that gives us 11, so we need to keep 5.5 (in reserve).

Mr. Meek outlined that the assumption that this $300,000 is meaningless is inaccurate assessment that will mean some measures if we don’t get agreement from the BET to at least fully fund that. Our insurance reserves balance, it’s still not an $18 million surplus.

Mr. Hamilton further explained that the $18 million comes from the audit of city finances as of June 30, and is the “net assets” in “different buckets.” The Board’s independent benefits consultant, Bob Lindberg of Lindberg & Ripple Inc., recommended that the Board keep 20% to 50% of expected claims in reserve.
There is a lot of confusion and misunderstanding from all different aspects of the community, as the initial budget that was submitted was much higher than what we have now. We have already worked very hard to reduce this to benefit the taxpayers while still producing the schools that we are trying to achieve.

There was further discussion on the timing and how to rationalize assets, funds, and especially newly established programs that need to move to the next level, including the reform of the middle school teaching models.

Adjournment

** MR. ANDERSON MOVED TO ADJOURN.
** MOTION PASSED UNANIMOUSLY.

The meeting was adjourned at 7:47 p.m.

Respectfully submitted,

Marilyn Knox,
Telesco Secretarial Services