

**Minutes
Finance Committee
October 12, 2018**

Present:

Jacqueline Blechinger, Committee Chair

Gina Albert, Committee Member

Tony Pesco, Committee Member

Dr. William McKersie, Superintendent of Schools

Richard Rudl, Director of Finance and Operations

Guests:

Michael Rizzo, Assistant Superintendent for Pupil Personnel Services

The meeting was called to order by Ms. Blechinger at 8:19 a.m.

The Committee discussed the following items regarding the monthly financial update including internal services fund (for dental):

- Mr. Rudl reported a projected fund balance for FY 2019 of \$197,552 excluding SPED encumbrance holds and negative (\$145,948) including SPED encumbrance holds. Encumbrances total \$37,696,777 and SPED encumbrance holds total \$343,500 against a budget of \$51,444,906.
- Mr. Rudl informed the Committee that the report reflects transfers totaling \$28,227. Of these transfers, two are in excess of \$5,000. These include \$6,000 for additional overtime for technology, and \$5,050 for staff turnover within technology.
- Mr. Rudl reported that there is a potential shortfall of (\$387,251) to the budget. The accounts contributing to this shortfall include out of district tuition/settlements (special education), special education legal fees, an additional special education para educator, the cost to conduct the space utilization study, and staff turnover. Mr. Rudl added however that there are potential areas of savings which can partially offset the deficits. Those areas include possible excess cost reimbursement (which would be known in February), savings in electricity, and savings in trash removal. Taking these into account would lower the shortfall to (\$145,948). Additionally, there are encumbrance holds of \$343,500 for potential special education unilateral placements. If these do not materialize, the projected deficit will be reduced.

- Regarding the Internal Services Fund, which now only includes dental, Mr. Rudl reported that the current fund balance is \$1,784,255.

The Committee discussed the following regarding the monthly financial update on PPS/SPED:

- Mr. Rudl reported that regarding special education out of district tuition and unilateral agreements for FY 2019, actual costs are \$661,246, but projected costs are \$1,948,631, with encumbrance holds totaling \$343,500 for a total projection of \$2,953,377. This is against a budget of \$2,651,808, resulting in a negative variance of (\$301,569).

The Committee discussed the following regarding a review of the FY20 budget pro forma:

- Mr. Rudl shared with the Committee a pro forma financial statement which is based on a series of assumptions to show a same service budget projection for the next three years, up to FY22. Mr. Rudl added that these forecasts are estimates only, and should not be considered firm, especially considering that the District currently does not have any contractual agreements with any of the bargaining units beyond 2020, and the fact that the assumptions used to create the pro forma may not hold true. Additionally, Mr. Rudl noted that the District's Internal Counsel remarked that exclusion of GWI if applicable upon negotiations significantly distorts out year projections. Predetermining, or appearing to predetermine, future negotiated increases would constitute a prohibited labor practice under State of Connecticut law. Likewise, using assumptions for future increases may violate these legal requirements. However, if the budgets were to be created today, the FY20 budget would represent a 5.55% increase over FY19. The FY21 budget would represent a 2.57% increase over the FY20 budget, and the FY22 budget would see a 2.5% increase over FY21.

The Committee discussed the following regarding the FY20 budget calendar:

- The Committee reviewed the budget and made changes to the schedule and added an additional workshop to allow added time for the Board of Education to review the budget before the evening meetings in January. These changes will be brought to the next Board of Education meeting for their approval.

The Committee discussed the following regarding the FY20 budget assumptions:

- Mr. Rudl shared the FY20 budget assumptions with the Committee. The Committee suggested that the goals portion of the assumptions should highlight the constraints that the budget is up against. Other than that, they approved the assumptions and it will now go to the full Board for their approval.

The Committee discussed the following regarding approval of the September minutes:

- The Committee approved the September minutes.

The Committee discussed the following regarding other business:

- Mr. Rudl reported that the firm that completed the repairs on the Weston Intermediate School knee wall project performed an evaluation at the request of the Town's Building Committee on the intermediate and high school roofs. Some of the items they noted were under warranty and they provided the repairs, but they also found some additional items at both schools which were not under warranty. The Town has suggested using the available balance from the knee wall project (approximately \$58,000) to address those repairs. The Town Administrator recommended that the Board of Education vote to request that the available funds from the knee wall project be re-purposed for these additional repairs. Once this is done, it can be brought to the Board of Finance for consideration and possible approval.

There being no further business to discuss, the meeting adjourned at 9:59 a.m.

The next meeting will be held on November 16th.

Respectfully submitted:

Andrew Galli

Administrative Assistant to the Director of Finance and Operations