

**Minutes
Finance Committee
December 14, 2018**

Present:

Gina Albert, Committee Member

Tony Pesco, Committee Member

Dr. William McKersie, Superintendent of Schools

Richard Rudl, Director of Finance and Operations

Absent:

Jacqueline Blechinger, Committee Chair

Guests:

Michael Rizzo, Assistant Superintendent for Pupil Personnel Services

Public:

Ellen Uzenoff, Weston Resident

The meeting was called to order by Mr. Pesco at 8:18 a.m.

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

- Mr. Rudl reported a projected negative fund balance for FY 2019 of (\$24,345) excluding SPED encumbrance holds and negative (\$222,345) including SPED encumbrance holds. Encumbrances total \$31,030,417 and SPED encumbrance holds total \$198,000 against a budget of \$51,444,906.
- Mr. Rudl informed the Committee that the report reflects transfers totaling \$81,497. Of these transfers, two are in excess of \$5,000. These include \$26,248 to help partially offset the out of district tuition and settlements account and \$11,500 to extinguish the staff turnover deficit.
- Mr. Rudl reported that there is a potential shortfall of (\$352,741) to the budget. The accounts contributing to this shortfall include out of district tuition/settlements (special education), District legal fees, the cost to conduct the space utilization study, and an additional para educator for SPED. Mr. Rudl added however that the estimated excess cost reimbursement of \$124,418 would help offset this deficit, but the actual amount won't be known until February. Additionally, there are encumbrance holds of \$198,000

for potential special education unilateral placements. If these do not materialize, the projected deficit will be reduced to \$30,322.

- Regarding the Internal Services Fund, which now only includes dental and medical claim run-out, Mr. Rudl reported that the current fund balance is \$1,530,702.

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 \$957,231 but projected costs are \$1,875,224, with encumbrance holds totaling \$198,000 for a total projection of \$3,030,455. This is against a budget of \$2,748,056 resulting in a negative variance of (\$282,399).

The Committee discussed the following regarding how to mitigate budget shortfalls:

- Mr. Rudl reported that for most of the fiscal year the District faces a number of financial constraints. As of the end of November, the forecasted deficit is (\$228,322), inclusive of all encumbrance holds. Among the deficits are \$157,981 for out of district tuition/settlements (net of excess cost), \$10,000 for special education legal fees, \$25,667 for an additional SPED para educator, and \$23,700 for phase 2 of the space utilization study. There were also a number of unanticipated items that were outside of the budget this year. Among the items were two additional SPED para educators, SPED tuition, SPED legal fees, several roof leaks, flooding at the Hurlbutt library, PCB mandated testing at the middle school, and emergency boiler repairs.
- In order to offset the shortfall, Mr. Rudl recommended the following steps. First, the District will enact a voluntary reduction of accounts. Mr. Rudl has met with each principal, as well as some central office administrators and asked each to provide funds from within their budget. This should generate approximately \$65,996. The second step would entail a budget freeze at some point in the spring. A freeze could potentially generate an additional \$50,000.
- Mr. Rudl informed the Committee that after these two initiatives take place, there are two options in order to reduce the remaining shortfall. These include requesting a supplemental appropriation from the Town, or shorting the dental contribution to the Internal Services Fund, drawing down on the funds' assets.
- The Committee agreed that they would inform the Board of Finance of this shortfall, and the District's plan, at their next meeting.

The Committee discussed the following regarding the draft FY20 capital budget:

- Mr. Rudl shared with the Committee the list of capital projects that are considered tier one and being recommended for the FY20 budget. Among the items on the list are replacement of the PLC and SACDA equipment (Zenon plant control system), replacement of the chiller at Hurlbutt and corridor ventilation, removal of oil tanks at the middle and high schools, replacement of fire alarm equipment and fire code upgrades, and replacement of student lockers at the middle school. Not including security initiatives, the total request is \$868,000. With security initiatives, the total capital request is \$1,189,629.

- Mr. Rudl added that one item on the list is a joint District/Town project, which includes upgrading all the lights on School Rd. to LED. Because School Rd. is Town property, the Committee discussed whether or not the Board of Education should pay for any of the upgrades. The Committee agreed that the item should remain, and the District would pay its portion, but that the Town must take the lead when making this budget item request to the Board of Finance. Ms. Albert agreed to meet with First Selectman Spaulding to notify him of the Committee's decision. The Committee also agreed that no other item would be removed from the list for the lighting upgrade.

The Committee discussed the following regarding the contracted custodial services RFP results:

- Mr. Rudl reported that the District issued an RFP (request for proposal) for janitorial services for FY20-24. Six submissions were received and which are currently being evaluated. In mid-December the companies will be notified if they have been selected to come in for an interview. A bid review committee has been formed, and consists of the Director of Finance and Operations, the Director of Facilities, a Board of Education Representative, the Director of Food Service, two Assistant Principals and one Custodian. The interview will take place in mid-January.

The Committee discussed the following regarding the benefit advisory consultant RFP results:

- Mr. Rudl reported that the District issued an RFP for benefit advisory services for the period of FY20 through FY24. Proposals were received from USI Benefits, Segal Consulting, and Arthur Gallagher. Arthur Gallagher submitted the lowest bid. Mr. Rudl recommended that the District remain with Arthur Gallagher. This will be brought to the full Board for a vote in January.

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

- The Committee approved the November minutes.

There being no further business to discuss, the meeting adjourned at 9:07 a.m.

The next meeting will be held on January 11th.

Respectfully submitted:

Andrew Galli

Administrative Assistant to the Director of Finance and Operations