

**CITY OF NORWALK
BOARD OF EDUCATION
FINANCE COMMITTEE
OCTOBER 1, 2014**

ATTENDANCE: Rosa Murray, Chair; Mike Barbis, Jack Chiaramonte

STAFF: Richard Rudl, Chief Business & Financial Officer.

Call to Order

Ms. Murray called the meeting to order at 6:42 p.m. and stated that members in attendance were as listed above and there was a quorum present.

CALENDAR FOR PREPARATION OF THE 2015/2016 OPERATING BUDGET

Mr. Rudl presented the following draft calendar:

CALENDAR FOR PREPARATION OF THE 2015/2016 OPERATING BUDGET

- October 6, 2014 Central Office receive budget packets
 - October 6, 2014 Principals receive budget packets

 - October, 2014 Chief Business Officer/Director of Facilities/Chief Technology Innovation and Planning meets with Principals to develop B&G budget and major capital project budget (\$20,000+)

 - October, 2014 Chief Business Officer/Chief HR Officer sends out preliminary staffing

 - October, 2014 Deputy Superintendent/Chief Business Officer/Chief HR Officer meets with Principals who wish to discuss staffing

 - October, 2014 Individual meetings as needed. Call Finance (x44057) for individual assistance

 - **October 20, 2014 Central Office completed Budgets due in Finance**

 - October 23, 2014 Focus Group with Parents at Nathan Hale Middle School (7pm) **Tentative**

 - October 28, 2014 Focus Group with Parents at West Rocks Middle School (7 pm) **Tentative**

 - **October 24, 2014 Principals completed Budgets due in Finance**

 - October 29, 2014 Focus Group with Parents at Roton Middle School (7 pm) **Tentative**

 - October 30, 2014 Focus Group with Parents at Ponus Ridge Middle School (7pm) **Tentative**

 - November, 2014 Superintendent meeting with Administrators Strategic Plan input and Budget Priorities

 - Superintendent Focus Group meeting with Union Representatives

 - Stake Holders Focus Group meeting on Budget
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Priorities with the BOE Finance Committee

- November 5, 2014 Central Office reviews Program Proposals and staffing requests
- November 11, 2014 Focus Group with Parents Grace Baptist Church (7pm)
Tentative
- November 12, 2014 Program Proposals reviewed with initiator and Central Office staff
- **November 19, 2014** **Superintendent and Board Finance Committee discuss strategic plan, priorities and legislative priorities**
- **December 16, 2014** **Board Members receive Superintendent's Recommended Budget with formal presentation on the 15-16 Budget. Tentative**
- January 5– 9, 2015 Board of Education reviews Superintendent Budget proposal
- First week of January, 2015 Board of Education will meet with City Finance Department to discuss budget
- **January 9, 2015** **Special Meeting of the Board of Education to review and approve Budget**
- On or before January 11, 2015 Completed revised Budget for the operation of the Norwalk Public Schools is forwarded to the City Director of Finance
- **Last week of January 2015** **Informal Presentation of Board approved budget to Common Council**

CITY BUDGET PROCESS

- 2nd Monday of February (2/9/15) Finance Director submits Budget to the Board of Estimate & Taxation

- 4th Monday of February (2/23/15) Board of Estimate & Taxation meets to start Budget review
 - 4th Tuesday of February (2/24/15) Common Council adopts cap on appropriations.
 - March 6th, Wednesday (3/4/15) Board of Estimate & Taxation meets with BOE to review Budget at 7:30 p.m. in Room 231 (tentative)
 - March 18th, Wednesday (3/18/15) Public Hearing on the Operating Budget at 7:30 p.m. in the Concert Hall (tentative)
 - 1st Monday of April (4/06/15) Board of Estimate & Taxation completes review and forwards proposed Budget to Council
 - No later than 3rd Tuesday of April (4/21/15) Common Council may amend cap on appropriations
 - Unspecified (logically between 4/20/15 and 4/24/15) Board of Estimate & Taxation meets to adjust Budget on new cap
 - 1st Monday in May (05/04/15) Board of Estimate & Taxation adopts Budget and tax rates
 - May 2015 Chief Operating Officer finalizes staffing for 2012/2013
 - 2nd Meeting in May 5/26/15 Board adopts the Budget (tentative)
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There was discussion of potential drivers for this budget season.

Ms. Murray asked how per pupil allocations are derived and Mr. Rudl explained that enrollment numbers are from Power School data. He added that budget request items such as personnel or program proposals are listed by the Principal on the justification form.

Mr. Rudl provided a brief overview of Priority funding (\$4.2 million) and Alliance (\$1.3million) and noted issues are pending the Commissioner of Education.

Mr. Barbis asked about concerns over Worker's Compensation claims and Mr. Rudl noted that light duty and re-entry positions are being used such as mail room, etc. to encourage transitioning those to re-enter the workplace from disabilities and out of work.

It was agreed to have this draft calendar presented at the next full Board meeting.

Discussion of Electricity Generation Services

Mr. Rudl provided his memo as follows:

The Norwalk Public Schools has an agreement with Direct Energy to supply electricity generation services for school facilities located within the CL&P service area. The present agreement with Direct Energy is due to expire in December 2014 at which point we will have to make a decision to either have our cost per KWH float against the current market price or lock in at the market rates for a period of time. In anticipation of the expiration of our agreement with Direct Energy we have been exploring opportunities to either reduce cost or seek cost avoidance. As electricity markets have fluctuated greatly over the past year we are looking to explore opportunities if it is advantageous for the Norwalk Public Schools to solicit energy jointly with the City of Norwalk in an effort to see economies of scale.

In order to explore cost avoidance or possible savings we plan on issuing an RFP jointly with the City of Norwalk for electricity generation services in October. The new RFP solicitation process will include both City and Board of Education facilities that are located in the CL&P service area.

The benefits of seeking an energy generation service jointly with the city are that due to the nature of the electricity market, cost per KWH is expected to be very expensive in 2015 due to commodity market conditions. By issuing an RFP jointly with the city and seeking terms of 3 years the desire is that through increased buying power and a broader scope of facilities we can see more favorable terms. Should the terms not be favorable by joining with the City in a purchase of electricity generation services we would not be obligated to purchase jointly and can purchase independently but would have the prospective bidder's prices and information on hand.

Due to the volatility of the energy commodity market, electricity generation pricing is typically only valid for a very short period of time (hours versus days). Therefore to afford the Board of Education and City flexibility in selecting and locking in the most favorable pricing solution, we are seeking authorization to enter into the firms that provide the most favorable pricing, terms and conditions as a result of the RFP

Mr. Rudl noted that this RFP will be on an upcoming agenda for authorization at an October Board meeting.

There was discussion of the Co-Gen unit at Norwalk High School. Mr. Rudl stated that a cost benefit analysis will be done to evaluate the operations options. Mr. Barbis suggested that an operating agreement with a third party be considered as an alternative to get this off the books.

Adjournment

**** MR. CHIARAMONTE MOVED TO ADJOURN.
** THE MOTION PASSED UNANIMOUSLY.**

The meeting was adjourned at 7:15 p.m.

Respectfully submitted,
Marilyn Knox
Telesco Secretarial Services