

**CITY OF NORWALK  
BOARD OF EDUCATION  
FINANCE COMMITTEE  
MARCH 21, 2016**

**ATTENDANCE:** Bryan Meek, Chair; Heidi Keyes, Erik Anderson (6:34 p.m.),  
Michael Barbis (6:34 p.m.)

**STAFF:** BOE Superintendent Steven Adamowski; Thomas Hamilton,  
BOE Finance Director

**CALL TO ORDER**

Mr. Meek called the meeting to order at 6:33 p.m. A quorum was present.

**REVIEW BUDGET TRANSFERS.**

Mr. Hamilton said that there was one transfer, but that the paperwork was still pending. The transfer will be presented to the full Board at the next meeting.

**REVIEW BUDGET MATTERS.**

- **FY 2016-17 Operating Budget.**
- **FY 2016-17 Capital Budget**
- **SPED Development Fund**

Mr. Hamilton said that the District was 3/4th of the way through the City budget process.

*Mr. Anderson and Mr. Barbis joined the meeting at 6:34 p.m.*

The BOE budget was submitted back in early January. Mr. Barron, the City Finance Director had given a lower recommendation. He said that the District had been able to agree to a 1.5 million dollar reduction in health benefits after speaking the City staff and the health insurance consultant.

Mr. Hamilton indicated that Board budget is now at a 3% increase. The Common Council increased the cap by \$300,000 which made up half of the difference. There have been several subsequent meetings and the District believes that the full \$600,000 will be available. He said that he would be at the BET Public Hearing on the 23rd. The agenda item was for discussion.

Mr. Barbis said that funds were being drawn from unusual sources that are one time revenues. He expressed that these funds will not be available next year. Dr. Adamowski said that he expected there would be a 5% increase next year and pointed out that there

would be a 3% increase in the teachers contracts and the need for funding for the intramagnet schools. If the remaining half of a million was used from the medical account, Without the Special Education development fund, the costs for Special Education will increase.

Mr. Anderson asked about containing the increase. Dr. Adamowski said that the Special Education increases should mirror the general education increases. Right now, the SPED classes are not in District. Without the SPED development fund, the students will remain out of the District along with any new students who come into the District. Mr. Anderson spoke about the concerns of the SPED parents who don't receive quality services in the District. Dr. Adamowski said that it was about providing quality in District services and reducing the transportation costs. He said that he admires everyone's commitment to this. Discussion followed.

Mr. Barbis asked about the special funding from the City and that the last proposal from the City's Finance Director was to scrub the medical fund and then have the taxes raised.

Mr. Meek asked that the Committee review the Mayor's Capital recommendations, which includes restoring the 3 million dollars into the Capital funding. He noted that the BOE had requested funding for the District technology. There will be funding needed for the Early Childhood program at Roosevelt and various other projects. The Mayor cut the furniture replacement account by \$300,000.

The Committee then reviewed page 3 of the handout, which contained the recommendations for the out years. Mr. Hamilton said that this budget moves the Board forward in terms of the facilities plan.

Discussion followed about the fact that the BOE has 50% of the City's physical assets. Mr. Hamilton said that this was only a five year capital plan and the Silver Petricelli plan was a 10 year projected capital facilities plan.

The Committee then reviewed the Special Education Fund. Mr. Hamilton said that the City Finance Director recommended that the BET consider adjusting the budget cap by raising the mill rate to cover the SPED development fund. The total amount was 3.6 million. There is 1.3 million balance in the insurance fund, which means that the District is looking for 2.3 million from the City. The Finance Director indicated to the BET that the budget cap be increased and the taxes subsequently raised.

Mr. Hamilton said that he thought there were better alternative to fund this initiative. The request to use the City's Fund Balance for the Special Education Fund. Mr. Hamilton handed out copies of a memo outlining the proposal.

Norwalk's unassigned Fund balance was 42.3 million at the end of June last year. The unassigned portion grew by 22%. It is now at the highest level that it has ever been. Over

the last five years, the fund balance increased from 26.5 million to 42.3 million. This indicates that the City's fund balance is healthy and growing. Based on this, Mr. Hamilton said that a draw down on the fund balance.

Discussion followed about the financial revenues from the proposed mall.

Mr. Hamilton said that generally the City has been conservative in projecting anticipated revenues. Absent an unanticipated recession, the City is in a good financial positions. Mr. Hamilton said that the statewide data showed in June 2014 that the City's fund balance was the highest in the State, followed by Greenwich. The rankings for 2015 have not yet been released. Mr. Hamilton went on to speak about the various gap revenues, such as the State's contributions to the teachers' retirements. He said that the City was seeking to maintain the Fund Balance at the median level of the other towns, which is 7.5%. During the last three years, the average surplus was 3.4 million. He said that the request for 2.3 million could be accommodated by the City's Fund Balance without issues. Discussion followed.

Mr. Hamilton said that the Special Education Fund is an important initiative for the District and will provide the needed services in a more cost effective way. He said that the use of the fund balance would be an appropriate use and outlined the items that the rating agencies would view positively, such as this investment.

Mr. Meek requested a formal vote requesting the Superintendent draft a letter to the City regarding a special appropriation regarding a one time use of 2.3 million dollars from fund balance for this issue.

**\*\* MR. ANDERSON MOVED TO REQUEST THAT THE SUPERINTENDENT DRAFT A LETTER TO THE CITY REGARDING A SPECIAL APPROPRIATION REGARDING A ONE TIME USE OF 2.3 MILLION DOLLARS FROM FUND BALANCE FOR THIS ISSUE.**

**\*\* MR. BARBIS SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

#### **ADJOURNMENT.**

**\*\* MR. ANDERSON MOVED TO ADJOURN.**

**\*\* MS. KEYES SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 7:20 p.m.

Respectfully submitted,  
S. L. Soltes  
Telesco Secretarial Services

City of Norwalk  
Board of Education  
Finance Committee  
March 21, 2016