

**CITY OF NORWALK
BOARD OF EDUCATION
FINANCE COMMITTEE MEETING
JANUARY 10, 2017**

ATTENDANCE: Brian Meek, Chair; Mike Barbis (arrived at 7:25PM)

STAFF: Steven Adamowski, Superintendant; Tom Hamilton, Finance Director; Kristin Karczmit, NPS Budget Director; Nina Lana

OTHERS: Dr. Yvel Crevecoeur; Mary Yordan, President, NFT; Joseph Giandurco, NFT Vice President; Lynn Moore, NASA President

1. CALL TO ORDER

Mr. Meek called the meeting to order at 7:10PM.

2. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

November 10, 2016

**** MR. MEEK MOVED TO TABLE THE MINUTES**

**** MOTION PASSED UNANIMOUSLY**

3. REVIEW FY 2016-17 FINANCIAL REPORT

Mr. Hamilton said that staff has not had a chance to review the financial report, and given the urgency on the budget have decided to dispense on the financial report for tonight's meeting, and present it at the next regular meeting.

4. FY 2016-17 BUDGET TRANSFER(S)

Mr. Hamilton said there is a transfer request of \$12,000 from the three text book accounts to support the project with the Norwalk Police Department.

Mr. Hamilton said the other transfer is for \$50,855, and is to fund the new assistive technology position, and that a significant amount of money has been spent on contracted services. He said it a position that the special education department has been looking to fill for quite some time, and they have found a candidate.

**** MR. BARBIS MOVED TO TABLE THE TRANSFERS**

**** MOTION PASSED UNANIMOUSLY**

Mr. Hamilton presented the requested operating budget for fiscal year 2017-18 and said that it includes:

- A base budget increase of \$2.6 million dollars to fund labor contract and normal cost escalation.
- Program improvement appropriation of \$3.98 million dollars to fund high priority education improvements designated in the Strategic Operating Plan.
- A special appropriation for enrollment growth of \$2.5 million dollars to cover the cost of educating a growing student population. Including English language learners and special needs students.
- Health insurance totaling \$8.6 million dollars which is due to a 16% projected increase in claim costs, and the impact of the onetime reductions taken from the insurance fund as part of the fiscal year 2016-17 budget funding of the Special Education Development Fund.

Mr. Hamilton discussed the budget goals and said that that are:

- To provide program support to Intra-District Magnet Schools at \$1,000 per student.
- Increase the high school per pupil allocation to equal middle school per pupil allocation.
- Transfer security guards from the Priority School District grant to local budget; expand summer learning opportunities at grades three, four, and twelve. He said that this will be done through the fund from Priority School District grant.
- Introduce supplemental appropriation for enrollment growth.

Mr. Hamilton discussed the fiscal year 2017-18 budget categories and said the total recommended revised budget is \$193,893,243. Mr. Barbis asked in terms of the student population numbers are they the October 1st numbers? Mr. Hamilton said “yes” and that a substantial amount of students have been picked up at the high school level. Mr. Adamowski said this year’s number is based on actual and next year’s number is projected.

Mr. Hamilton discussed the health insurance and said that it is the budget driver, and we are experiencing an increase in claim costs year over year, and based on that trend our consultant is indicating that we should expect to spend an increase of \$4.6 million dollars in claims. He said that there has also been an increase in the frequency of high cost claims, and staff will ask the insurance consultant to update his numbers at the end of the year. Mr. Meek asked if Norwalk is staking up against other districts or is it too early to tell. Mr. Adamowski said that it’s too early to tell.

Mr. Hamilton said that the three recommendations that Mr. Adamowski has made are:

- Combining district and city for the purpose of self-insurance together.

- . Having the City assume the health insurance costs of all employees, and to combine insurance revenue funds. He said that under these circumstances the City would not need a separate self-insurance reserve fund and the District would contribute its remaining health insurance reserve fund balance to offset City.
- Entering separately or with the City into the State 2.0 Health Insurance plan.

Mr. Adamowski told Committee members that he had been surprised to learn that the Board of Education was self-insured by itself, not combined with the city, adding, “One would think that given the size of or entities that we would have a single-self-insurance pool. He said that they are also interested in the New Haven model and said that when he met with Mayor Rilling his chief of staff Laoise King was there, and she has experience in New Haven during the time that the city took over benefits for all municipal employees including the school district. Mr. Adamowksi said a municipality, particularly one that has a healthy ‘rainy day fund’ and ours is the largest in the state does not have a medical insurance reserve, but that they have it essentially built in and the school district does not have to maintain one under those circumstances. He said if we went to that model that means the city would take over the health expenses for both entities, and we would contribute our remaining reserve to offset the 2017-18 costs. He said that more and more districts are going to the State 2.0 Health Insurance plan, and that Fairfield, Trumbull, Easton and Greenwich have joined that plan and have had very significant savings. He said that one of the things that the insurance advisor is looking at is what the projected costs savings of doing that either individually or with the city will be. He said without doing something in the area of health insurance there is no budget, and the city will be taken down by it too. He said to place this increase in perspective, the additional cost is the equivalent of funding 86 current teaching positions.

Mr. Barbis asked what the Mayor's reaction was to this issue, and if moving to the states 2.0 health insurance plan is a viable option. Mr. Adamowski said with respect to Mayor Rilling they are both very concerned about this and we can't sustain \$8.6 million under any circumstances, and that "yes" the states 2.0 health insurance plan is a viable option and can join in either July or January.

Mr. Adamowski said he hopes that the Boards perspective would be to do anything we can do to neutralize the health insurance costs, and to aggressively promote everything else in the recommended budget, because everything else is compelling. He said if we want to fulfill the objectives of the Strategic Operating Plan, and those goals for student achievement, this is pretty much what has to be done.

ADJOURNMENT

**** MR. BARBIS MOVED TO ADJOURN**

**** MOTION PASSED UNANIMOUSLY**

The meeting adjourned at 8:20 PM

Respectfully submitted,

Dilene Byrd

Telesco Secretarial Services

