

**CITY OF NORWALK
BOARD OF EDUCATION
FINANCE COMMITTEE
SEPTEMBER 28, 2016**

ATTENDANCE: Bryan Meek, Chair; Erik Anderson, (6:10 pm) Mike Barbis
STAFF: Thomas Hamilton, Financial Director; Kristen Karczmit, Budget Director.
OTHER: Mary Yordon, NFT

Call to Order

Mr. Meek called the meeting to order at 5:53 p.m. and introduced members in attendance as listed above.

Approval of Minutes – May 25, 2016

**** MR. BARBIS MOVED TO APPROVE THE MINUTES OF THE MEETING
OF MAY 25, 2016AS SUBMITTED.
** MOTION TO APPROVE PASSED UNANIMOUSLY.**

Review of FY 2015-16 Financial Report.

Mr. Hamilton distributed the FY 2015-16 Financial reports and highlighted the close out of actual year-end spending versus budget, and explained variances as noted. There was a discussion of the carry-over request and a review of reports from MUNIS exported into Excel in descending dollar order of the following items – contra accounts of revenues in excess cost grant (ECS), medic-aid reimbursements and state transportation grants.

There was discussion on the process with the improved financial systems and budget tracking practices.

Review of FY 2015-16 Year-End Budget Transfers

Mr. Hamilton outlined the summary of year-end transfers necessary to close out the accounts. Mr. Hamilton outlined the special education services and state reimbursement and out placements. There was a discussion of the review of outplacements and Mr. Hamilton explained the IEP process, which should be addressed by the Special Education Department.

Further comments and questions from the Board members were addressed regarding medic-aid reimbursements. Mr. Hamilton explained examples included special services such as psychological evaluations and costs for special education children. He outlined changes from the state and federal government that result in expenditures up and down.

He reviewed the reserve teacher account and the negative number due to adjustments of actual turnover versus budget assumptions and contract incentives for retirement severance benefits.

There was a discussion of the contributions to the insurance fund and Mr. Hamilton explained the reductions due to changes in employee participation in health insurance programs. There was discussion of the \$1.3 special appropriation covered by the City, then a carry-over to the next year. He reviewed the letter to Bob Barron and schedule of Board requests for the list to the BET and the total amount approved for carryover included not expended items and special education appropriation, and purchase orders for instruction as covered at the full Board meeting.

There was discussion of project codes – location, school or central office, and Mr. Hamilton explained the list for Mr. Meek. It was noted a Trial Balance was included in documentation.

Mr. Anderson entered the meeting at 6:10 p.m.

FY 2016-17 Budget Transfers

Mr. Hamilton outlined the summary of transfers approved by the Superintendent to proceed with purchase orders and necessary to balance out requisitions and expenditures allocated to the object codes for the accounts for special education services and state reimbursement. Ms. Karczmit reviewed the \$10 million in items listed in wage accounts to reflect actual locations of employees as transferred to positions as charged for split funding between multiple schools and case loads. He explained that salaries are charged according to changes and percentage allocations.

Mr. Meek asked about object codes and after expanding on Student Based Budgeting the items could necessitate more budget transfers as so many items are captured by detail.

Comments and questions from the Board members were addressed.

**** MR. BARBIS MOVED TO APPROVE AND FORWARD TO THE FULL BOARD THE AUTHORIZATION TO ACCEPT THE BUDGET TRANSFERS FOR 2016-17 AS SUBMITTED.**

**** MOTION TO APPROVE BUDGET TRANSFERS PASSED UNANIMOUSLY.**

Review Budget Matters:

2016-17 Operating Budget

Mr. Hamilton distributed financial reports and reported that they have met with building principals and they are in agreement with the elementary school student based budgeting allocations with some supplemental funding requests as supported with the rationale documentation.

There was further discussion on the timing and how to rationalize assets, funds, with new initiatives and newly established programs that need to move to the next level, including the reform of the middle school teaching models.

There was discussion on budget constraints for the school levels based on limitations outlined by the building principals and requests for supplemental funding.

Mr. Hamilton reviewed the middle school shift in funding to reallocate more per student to the high school in view of the finding that middle schools were being budgeted at a higher per student amount. There was a discussion on the middle school redesign and the need to provide supplemental funding for Roton Middle School based on fixed administrative costs.

Status Updates and Upcoming Projects/Requests:

The following items were discussed for information only:

Chrome books — Lease vs. Buy

Mr. Hamilton explained the process of capital funding through City bonding and highlighted lease versus buy options. It was suggested that this be explained to Ralph Valenzisi for further input. Mr. Hamilton outlined that this is then put into the RFP for technology purchases that goes through City purchasing and the Land Use and Building Management for approval on to the Common Council.

Food Service Options

Mr. Hamilton explained that the state requires districts to rebid each year for the food services contract. He outlined that the contract agreement is unusual compared to other cities as only the management is done by an outside vendor and the employees are part of the district and Food Services Workers union, therefore the contract is a hybrid of in house and outside negotiated terms and conditions.

Mailroom Options

Mr. Meek referred to a letter submitted by the Mailroom clerk and asked for this item to be tabled from the agenda pending more information. Mr. Hamilton noted that it was worth having a discussion and referred to the recommendation from Mr. Hodel. He outlined that this would be an extension of the arrangement that the City has with Reiko services to consolidate services for cost savings.

New Communications Team Budget

Mr. Meek noted that this was as suggested at the Board Retreat to fund a staff for Brenda Wilcox Williams to provide her with the support and resources to adequately communicate information for the district.

The following items were discussed and suggestions were made for referral to the appropriate department area responsibility—Facilities, Human Resources, Policy Committee, etc.

Electrical (only) Upgrades

Mr. Meek spoke of situations at various schools where there is insufficient electrical voltage and gave examples of blowing a fuse for things like using both a coffee pot and toaster at the same time. There was discussion of the need for bringing buildings up to code to adequately use computers and electronic equipment and preparations for basic upgrades such as a window air conditioning unit. It was noted that a recommendation will be forthcoming from Facilities, initiated from Bill Hodel for building electrical upgrades.

Bus Depot Status

Mr. Hamilton provided an update that the progress of the Bud Depot is rolling along through legal to cover liability issues of bus storage and deployment. He noted that there are relevant transportation contract savings that will be achieved once the depot logistics are determined.

BMHS Abatement expense

Mr. Hamilton provided an overview of the recent discovery and findings of mold in the ceiling infrastructure at Brien McMahon that has been mitigated with professional abatement services. He explained that several classrooms had been temporarily relocated until the abatement process could be completed over the past few weekends with an estimated/limited financial expense of approximately \$25,000.

Internal Control Projects:

Organizational Chart

Mr. Meek requested an organizational chart of the new positions created for the Superintendent's cabinet and areas of responsibility and accountability. Mr. Hamilton noted that this is something that usually comes from Human Resources, and he would ask Pat if this has been done, to provide this to the Committee members.

Munis Requisition System

Mr. Hamilton provided an overview of the transition into MUNIS from the school locations and explained that systems are now in place whereby requisitions are done at the school levels. He outlined the controls that are done at the central office as Bev Dixon works with Karen Bartron with the purchase orders and processing requisitions and payment of invoices.

Mr. Barbis stated that he had to attend another meeting and left at 7:10 p.m.

Position Control System

There was discussion on Nova-Time and employee timesheets for various additional teacher coverage and extra curricular payments. Ms. Karczmit explained that it is a time-consuming paper form process that needs to be automated at the Nova-time swipe meter. Mr. Hamilton outlined that this can be done with an override coding when the employee swipes in with subsequent coding done by the designated personnel administrator at the building locations. It was noted that they are working on a procedure whereby this can be automated to reduce the amount of back-log and volume of paper timesheets that are funneled through approval levels at the Central Office.

There was additional conversation dialogue on responsibilities of the Finance team in view of new positions and appointment of the new Budget Director. Comments and questions from the Board members were fielded by Ms. Karczmit.

There was a discussion on the merits of a P-card (school credit card) to be used by the Building Principal for budgeted items that require purchase through credit card as opposed to the purchase order procurement process. There was dialogue and exchange of comments on the security, reconciliation, financial liability and usage guidelines. It was suggested that a policy be drafted to outline the guidelines and liability regulations of such credit card usage.

Mr. Anderson suggested this be forwarded to the Policy Committee to establish a policy draft in line with CAFE practices.

Health Insurance Account Report

There was a discussion of the contributions to the insurance fund and Mr. Hamilton explained the reductions due to changes in employee participation in health insurance programs. There was discussion of the actuary and insurance consultant assumptions for this account and the adjustments of turnover versus budget assumptions. It was noted that this account is carefully monitored to ensure that contributions are made as scheduled and in line with the City's Finance Department procedures.

Quarterly Projections

There was discussion on the timing and how to track necessary expenditures with new initiatives and SOP with after-school and transportation programs that need to move to the next level, including the reform of the middle school teaching models.

There was discussion on budget constraints for the school levels based on limitations outlined by the building principals and requests for supplemental funding.

Transparency with BET

There was discussion of the budgeting and enrollment assumptions for this account and the adjustments of turnover versus budget assumptions. It was noted that this is carefully monitored to ensure that there is on-going collaboration and transparency in line with the City's Finance Department and the Board of Estimate and Taxation.

Unified Chart of Accounts

Ms. Karczmit reviewed the transition to the Unified Chart of accounts to reflect how items are appropriately charged according to actual charges and percentage allocations. She explained that the goal is to accurately track and appropriate allocation of expenditures in the administration of the budget system.

Mr. Meek asked about object codes and after expanding on Student Based Budgeting the items could necessitate more budget transfers as so many items are captured by detail.

Munis CRM/311 System

Ms. Karczmit reviewed the planned upgrade for MUNIS and transition to the CRM/311 system and explained that it is a very involved process that requires training and realignment with the new Unified Chart of accounts. Mr. Hamilton explained that it is a work in progress and he will keep the Committee updated with progress and transition timing.

It was noted that the Finance Committee regularly meets on the 4th Wednesday of the month at 5:30 PM in Room A-333 of City Hall.

Adjournment

**** MR. ANDERSON MOVED TO ADJOURN THE MEETING.
** MOTION TO ADJOURN PASSED UNANIMOUSLY.**

The meeting was adjourned at 8:05 p.m.

Note: Reports and documentation handouts as referred to were not provided as attachments for the record, but are available upon request to the Board of Education Finance Department.

Minutes transcribed by audio tape recording.

Respectfully submitted,
M. Knox, Telesco Secretarial Services