

**CITY OF NORWALK
BOARD OF EDUCATION
FINANCE COMMITTEE
FEBRUARY 26, 2014**

ATTENDANCE: Rosa Murray, Chair; Mike Barbis.

STAFF: Tony Daddona, Deputy Superintendent; Richard Rudl, CFO.

Other: Board Member, Shirley Mosby

Call to Order

Ms. Murray called the meeting to order at 7:00 p.m. and stated that members in attendance were as listed above and there was a quorum present.

Budget Transfers:

Mr. Rudl stated that there are two transfers that exceed \$10,000 and provided supporting documentation as follows:

\$10,000 from Object 126 Non-Affiliated to Object 115 Assistant Supervisors

\$20,000 from Object 430 Repairs and Maintenance to Object 115 Assistant Supervisors.

Mr. Rudl explained that due to the federal sequester our IDEA grant was reduced approximately \$150,000 resulting in shortage in IDEA. He stated that this reduction was applied to the Assistant Supervisor position within the Special Education Department, and currently that position remains vacant but is being filled with an interim until all Special Education staffing is complete. He further outlined that it was budgeted at \$32,000 for 20 additional days of work for Special Education Supervisors during the summer but that was unused.

Mr. Barbis asked about the grant funding process, and current staffing positions. Mr. Rudl explained preliminary and final grants and the reduction to the IDEA grant. Mr. Rudl noted that the funds to support this transfer are coming from accrued salary savings from the vacant purchasing coordinator position, which is currently posted as well as expense savings from the district wide copier account. These savings have occurred due to no overages per the agreement as well as a renegotiated copier agreement that is also before the Board, which will allow for annual savings of \$30,000 to the local operating budget along with additional no cost benefits. He added that these funds coupled with the \$30,000 transfer, as well as an IDEA budget revision should cover us through the rest of the year to support the interim Special Education Supervisor.

Mr. Barbis asked about the current special ed. staff position and other vacant positions. Mr. Rudl explained that currently the interims are paid per diem. Ms. Murray clarified that leftover accounts are used when accounts run short and Mr. Rudl explained that reallocations are done to fund areas as needed.

Discussion of budget transfer threshold requirements

Ms. Murray asked about the handling of budget transfers and there is an assumption that they should go through the Finance Committee before coming to the Board.

Mr. Rudl explained that there should be a threshold set because the timing would amount to six weeks for approvals to make the monthly meetings and it would jeopardize paying bills on time to avoid surcharges of late payments to vendors. He noted that as of now the amount is \$1,000 and in cases where it crosses object accounts even small amounts need approval. He added that exemptions would be non-salary accounts and that an increase is asked to be set by the Finance Board. Mr. Rudl explained the advantage is to give more information for large scale transfers to come to the board with more detail and background documentation. Is it a policy that needs to be modified, Mr. Barbis suggested the threshold be lifted by the policy committee.

Mr. Daddona said it may be state law not Board policy because legislation was modified. Mr. Barbis said other districts don't do it at all. The small transfers are done because things like shipping charges were not included in the P.O. and other things. Ms. Murray asked what is being gained by going thru Finance Committee, and it was clarified that the intent was to give full information. Mr. Rudl suggested that details be included in the packet. Ms. Mosby asked what happens if members are not part of the committee, and Mr. Rudl said questions could be addressed.

Ms. Murray clarified that the real concern is we don't get Board packets until Friday night and when not looked at until Saturday-Sunday then there is no time to get additional info for Tuesday meeting. She added that requests are forwarded on Monday and there is no turn around time.

Ms. Murray asked when we start putting out packets Friday before the meeting to look at this in advance. Mr. Daddona said as long as he can remember that was the timing. Also, the Finance Committee only meets once a month when the Board meets twice per month.

Discuss review of transfers prior to Board meeting approval

There are really two issues, the amount of the threshold and the timing of when packet is issued to give members time for review. Mr. Daddona said policy has not been updated since 1996 related to transfers, and this needs to be addressed by the full Board.

It was agreed to have Mr. Rudl do some research and to ask the City's Finance Department to find out other city practices and policies for threshold limits with transfer approvals relative to CT state law 10-222. The item will be brought to the full Board for discussion.

III. Preview of January Financial Report – on Agenda to the Board on March 4

Mr. Rudl provided the report, and summarized areas of variances per object code, versus budget is at 51.8%. He explained areas such as pre-payment discounts and one-time expenses that affect the % expended versus time lapsed and theoretical rate.

Mr. Rudl fielded questions on item codes and explained longevity payments and other areas that where one time charges are per year and other timing issues related to the monthly closing. He stated that overall, they are tracking on budget. There was a discussion of variances in transportation and substitutes.

Mr. Barbis asked about the Insurance Account when City funding is done as a “sweep”, and if there was a way of blocking it. Mr. Rudl explained that it is a quarterly basis in the trust fund. The margin will remain in the trust fund not the operating budget, which is not a monthly variance issue, to avoid the deficit potential if negative claim experience.

Ms. Murray asked how to avoid surprises in account overages, and Mr. Rudl spoke about special education and reallocation of funds for compliance. He further explained outside services, transportation, consultation and inflationary pressures.

Ms. Murray asked about how work load is handled for things like when Elio’s position is open and if there is a same body count in the office. Mr. Rudl replied that vacancies are in the process of being filled include Director of Facilities, Instructional Specialist, Purchasing coordinator, and recently HR opening has been filled. Mr. Daddona said there is another HR position open since someone just resigned.

Mr. Daddona then referred back to the transfer item and stated that it is Board policy 3160 – Transfers Across Object Codes, which was last updated in June of 1996. He clarified that there should be an item for discussion on how the handling of approvals is done for budget transfers for the full Board meeting, which should then lead to policy revision.

Ms. Murray said it is assumed transfers should stop here at this Committee before the Board meeting which is a different practice and she does not want to circumvent full Board approval. She added that she is an advocate of handling things once and this appears to be a duplication exercise. Mr. Rudl added that Dr. Rivera’s intention was to provide full information.

Mr. Daddona said he would ask tomorrow night at the audit meeting what other towns are doing and would also ask Mr. Mooney for the updated laws regarding policies.

Adjournment

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

The meeting was adjourned at 8:15 p.m.

Respectfully submitted,
Marilyn Knox, Telesco Secretarial Services