

---

## BOF Minutes 02/07/2017

302 Main Street Old Saybrook, Connecticut 06475-1741	
BOARD OF FINANCE MINUTES MEETING 7, 2016 at 6:30 P.M. FIRST FLOOR CONFERENCE ROOM TOWN HALL	
REGULAR FEBRUARY	

### BOF Attendant Members

David LaMay, Chairman  
Brad Thorpe, Vice Chairman  
Tom Stevenson  
Breck Lindley  
Barry O'Neill  
John O'Brien  
Carol Rzasa

### Absent Members

---

### In Attendance

Carl Fortuna, First Selectman  
Bob Fish, Treasurer  
Carol Conklin, Selectwoman  
Lee Ann Palladino, Finance Director  
Michael Spera, Chief of Police

The following is the joint discussion from the Board of Education meeting, which took place at the Middle School Library that preceded this Board of Finance meeting:

### **JOINT DISCUSSION WITH THE BOARD OF FINANCE**

#### 2017-2018 Proposed Board of Education Budget Discussion

**Superintendent Perruccio and Director Pendleton presented the Superintendent's proposed 2017-2018 budget to the Board of Finance at the regular board meeting on February 7, 2017. This budget has been reviewed by the Board's Budget and Fiscal Committee.**

Superintendent Perruccio began by spotlighting 2016-2017 celebrations for the district, which include:

- Strategic Plan
- Personalized Learning
- Standard Based Practices
- Universal Screening Assessments in Reading and Math
- Integration Model in Social Studies and English-Language Arts
- Professional Collaboration
- Math Pilot
- Personalization of Professional Learning
- Successful Negotiations with Teachers
- Facility Projects Completed

Superintendent Perruccio reviewed the district's Budget Goals for 2017-2018, which are derived from the district's strategic plan. The strategic plan directs the district to support:

- Personalized learning
- Increased authentic learning experiences
- Innovation
- Creativity
- Critical thinking
- Collaboration
- Global relationships
- Cultural awareness
- Opportunities for regionalism
- Professional development designed to meet staff learning needs
- Use of technology to create learning environments
- Learning flexibility through student climate and voice and anytime learning

Superintendent Perruccio then reviewed the budget planning process with the Board of Finance, which includes: strategic plan review, identifying and prioritizing classroom needs, discussing goals and challenges with the Budget and Fiscal committee, analyzing enrollment projections, identifying cost saving opportunities, and seeking revenue sources/protecting revenue sources already in place.

Superintendent Perruccio first presented the Sustained Services budget, which is the budget needed to continue the exact programs from the current academic year. This budget calls for a 2.88% increase over this year's budget or \$733,403. Next, the Superintendent presented the Initial Administrators' Budget, which includes all of the requests from their schools for various programs and resources. This budget calls for a 1.60% increase over this year's budget or \$408,193. Finally, the Superintendent presented the Superintendent's Budget, which reflects cost savings that were found in the Administrators' Budget. This budget calls for a 1.30% increase over this year's budget or \$329,831. Cost savings and prioritization enabled the Superintendent's proposal to represent a much smaller increase than the Sustained Services budget.

The major budget drivers continue to be personnel costs, health insurance benefits, special education tuition, transportation and capital maintenance and equipment.

Superintendent Perruccio and Director Pendleton reviewed budget highlights for the year related to areas where the district has been able to realize savings and areas that have added additional cost. The Superintendent and Director Pendleton also looked at particular line items that made the most significant percentage/dollar increases or decreases from last year.

The presentation continued with a discussion regarding unknown financial items and actions the district may take to mitigate the impact of those unknowns. The following items have been identified as potential "unknown entities":

- Funding and other revenue reductions
- Health insurance costs and Affordable Care Act
- Unanticipated maintenance repairs
- Outplaced students
- Charter and magnet school tuitions

The presentation concluded with a review of each strategic plan goal and the dollars associated with moving those goals forward. The district is looking to include a certified school to career teacher, which will help with authentic learning experiences and the internship program.

**Members of the Board of Finance asked Superintendent Perruccio, Director of Operations, Facilities and Finance Pendleton, and the Board of Education questions about the proposed budget.**

The following is the regular meeting which followed the joint meeting with the Board of Education:

#### **Call to order**

Mr. LaMay called the meeting to order after returning from the Board of Education meeting at the Middle School Library.

**Minutes:**

A motion to approve the minutes of January 3, 2017 was made by Mr. Thorpe seconded by Mr. O'Neill and was so VOTED 6-0-1.

A motion to approve the minutes of January 17, 2017 was made by Mr. O'Neill seconded by Mr. O'Brien and was so VOTED 6-0-1.

A motion to approve the minutes of January 31, 2017 was made by Mr. O'Neill seconded by Mr. O'Brien and was so VOTED 6-0-1.

**Budget Discussion: Y&FS**

Ms. McNeil discussed her budget for the Board of Finance. Mr. Giegerich was impressed and complimented Ms. McNeil with the activity of the Youth Action Council and how many students are involved.

**Treasurer Report**

Mr. Fish discussed the General Fund Operating Budget year ending January 31, 2017 and the General Fund Revenues noting property taxes and state and local revenues.

Mr. LaMay thanked Treasurer Fish.

**Finance Director Report**

Ms. Palladino reported as follows:

Budget performance through January 31, 2017

Budget Fiscal Year 2017

The general government budget for Fiscal Year ("FY") 2017 presently stands at \$ 15,644,049, up \$16,341 due to FY appropriations, from the FY17 budget of \$15,627,618 approved at the May 2016 budget referendum.

*Budget Appropriations*

To date in FY17, budgetary appropriations of \$16,431 were made to recognize the budget impact of the dispatcher's collective bargaining agreement.

*Municipal Reserve Fund Appropriations*

During FY17 appropriations against the municipal reserve fund ("MRF") total \$332,525:

- Account software system, approved at the Town meeting in August 2016 in the amount of \$170,000. Of that amount \$50,000 has been transferred so far this fiscal year.

Building repairs, approved at the Town meeting in October 2016, in the amount of \$138,000.

- The Municipality permitting software system, approved at the Town meeting in January 2017, in the amount of \$24,525.

The balance of the MRF stands at \$973,860 as of January 31, 2017, please note that not all of the expenses associated with approved appropriations have been paid.

*Unassigned Surplus Fund Appropriations*

During FY17 appropriations against the unassigned surplus fund total \$125,000:

- An appropriation of \$125,000 for the Saybrook Junction Infrastructure planning project was approved at the January 2017 Board of Finance meeting. A date for the Town meeting is still pending. These funds will be reimbursed by a grant once the project is completed.

FY17 budgeted capital outlays totaled \$675,000, of which \$605,000 has been transferred to various reserve accounts. The difference, \$70,000, was not transferred as the projects were earmarked. To date, about \$61 thousand of this amount has been spent. The balance of the various reserve funds is noted below.

Municipal Reserve Fund – 200	FY 2017 Transfers	Balance 1/31/2017
<b>Capital Non- Recurring Budget</b>	<b>\$230,000</b>	<b>\$558,860</b>
<b>Fire Apparatus</b>	<b>155,000</b>	<b>315,000</b>
<b>Public Works</b>	<b>60,000</b>	<b>100,000</b>
<b>Catastrophic Illness - 830</b>	<b>70,000</b>	<b>163,672</b>
<b>Retirement Payout – 840</b>	<b>40,000</b>	<b>19,989</b>
<b>Revaluation - 290</b>	<b>50,000</b>	<b>80,665</b>
Total	\$605,000	\$1,238,186

Capital Expenditures FY 2017 has used 60% of the budgeted amount as noted below.

Department	Amount Budgeted	Amount Used
<b>Fire Department</b>	<b>\$35,000</b>	<b>\$0</b>
<b>Police Department</b>	<b>\$94,000</b>	<b>\$0</b>
<b>IT – Town</b>	<b>\$25,000</b>	<b>\$1,064</b>
<b>Public Works</b>	<b>\$315,000</b>	<b>\$278,879</b>
<b>Total</b>	<b>\$469,000</b>	<b>\$279,943</b>

Authorized Transfers – none

#### Fiscal Year 17 Budget Performance

Through January 31, 2017, seven months or 58.3% of the budget equates to \$9,125,695. Actual expenditures, which are running at 59.1%, are tracking slightly ahead of budget expectations. Actual expenditures through January 31, 2017 for general government equate to \$9,240,070 ahead of the seven month, straight lined budget figures by \$114,375. The major driver of this overage is the full year's pension contribution of \$556 thousand and other expenditures that are made in advance. The budget lines that have expenditures in excess of 63.3% are attached. All budget overages are explained by timing differences or seasonal activities.

#### Fiscal Year 2016 vs. Fiscal Year 2015

The general government budget for FY16 was \$15,258,527, or \$385,522 less than FY17. When comparing the first seven months of FY 16 to FY17, the current fiscal year's budget is performing slightly better at 59.1%, versus 61.3% compared to this time last year.

Julie is our new Accountant and primarily focused on payroll. She is a great asset to the department.

Mr. LaMay thanked Ms. Palladino.

#### **Selectman's Report:**

Mr. Fortuna touched on the following:

- Street Lights; getting 1 more proposal;

Mr. LaMay thanked Selectman Fortuna.

#### **Public Comment:**

None

Mr. LaMay thanked everyone

A motion to adjourn was made at 8:40 p.m. and so VOTED unanimously.

**This meeting in its entirety was video taped and can be viewed on Town Website YouTube.**

Transcribed from notes:

Submitted,

Gerri Lewis, Clerk