

## **April Finance Committee Meeting**

Friday, April 9, 2021 9:00 AM

Zoom Call 253-215-8782? Passcode: 388489, 24 School Road, Weston, CT 06883-1623

**I. FY22 Budget Update**

**II. ESSER 2 and Summer Academy Budget Review**

**III. Approval of March Minutes**

**IV. Other Business**



April 9, 2021

**TO:** BOE Finance Committee

**FROM:** Phillip Cross, Director of Finance and Operations

**SUBJECT:** FY 22 Budget Update

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### **Operating**

At our March 26 meeting we discussed a mitigating plan that would reduce the requested FY22 budget by \$542,966, or 1%. On April 6, 2021, the Board of Finance (BoF) voted to accept the BOE's FY22 operating mitigating plan. The approved FY 22 operating budget is \$55,070,090. This is a \$908,647 or 1.68% increase over FY21.

### **Capital**

The BoE also presented a mitigating plan that would reduce the capital budget by \$256,540. The plan had two parts:

- 1) \$56,540 to be paid from the BoE FY21 surplus
- 2) \$200,000 to be paid from the ARP ESSER grant

The BoF voted to accept the \$56,540 reduction. Because the grant detail and approval is relatively uncertain, the \$200,000 to partially pay for the old gym air handler replacement was not reduced from the capital request. Instead, the BoE will reimburse the Town when the grant request is approved and when funds are received.

In addition to the above items, the BoF reduced the WMS HVAC repairs contingency from \$100,000 to \$25,000. This was done with the understanding that if any repairs or replacements exceed that amount the BoE would seek a special appropriation.

The approved FY22 capital request is \$675,860 or a reduction of \$131,400 from the requested.

### **Non-Lapsing Account**

We requested that the BoF repurpose the use of the non-lapsing to allow us to pay for general expenditures. In addition, we also requested the following:

- 1) An approval of our previous request to increase the account by \$47,350

- 2) Increase the account by an additional \$41,885. This amount represents reimbursement from the CRF grant for FY20 expenditures relating to covid-19.

The BoF voted to repurpose the account but to restrict the account to only pay for the anticipated FY22 contingent liability of \$203,688. Thus, the account will only be increased by \$26,120. The remaining \$63,115 will revert to the Town.

## FY 22 BoF Approved Budget 4-6-21

**OPERATING BUDGET:**

FY 21 Adopted Budget	54,161,443	
FY 22 BOE requested Budget	55,613,056	2.68%

**Mitigating Reduction:**

<u>Non-Lapsing Account</u>		
Contingent Liability (ERIP)	(203,688)	-0.38%

Pre-Purchase/Pay from FY 21 Unexpended Funds:

Curriculum & Instruction Books

Renew Grade 8 Spanish digital licenses	(15,834)	
French 5Honors and AP Digital License	(1,510)	
Math in Focus Grade 7 online renewal	(20,507)	
Grade 3 Math in Focus	(24,307)	
Grade 4 Math in Focus	(28,315)	
	(90,473)	

Prepay FY 22 contractual ERIP	(145,507)	
	(235,980)	-0.44%

Other

Health Insurance	(64,751)	
Superintendent Turnover Savings	(38,547)	
	(103,298)	-0.19%

<b>Total Reduction</b>	<b>(542,966)</b>	<b>-1.00%</b>
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<b>FY 22 BOF Approved Operating Budget</b>	<b>\$ 55,070,090</b>	<b>1.68%</b>
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<b>YOY increase</b>	<b>\$ 908,647</b>	<b>1.68%</b>
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## FY 22 BoF Approved Budget 4-6-21

### CAPITAL BUDGET

Requested Capital 807,400

Purchase/Pay from FY 21 Unexpended Funds:

WHS - Installation of Concrete Pad Over Oil Tank (Item 1) (26,700)

WMS - Sound Dampening of Music Rooms (Item 8) (19,840)

Bus Garage -Purchase & Installation of Back-up Generators (Item 9) (10,000)

\_\_\_\_\_ (56,540)

Bof Reduction

Contingency for WMS HVAC Repairs (75,000)

**BoF Approved Capital Request**

\$ 675,860

**Total Operating & Capital Reductions \$ (674,506)**

### OTHER CAPITAL

**Pending grant approval :**

Partial Fund old gym air handler replacement from grant (Item 2) \$ 200,000

## FY 22 BoF Approved Budget 4-6-21

### Non-Lapsing Account

BoF Approved Non-Lapsing Account	177,568
4-6-21 Approved Addition	<u>26,120</u>
Total Available	203,688
FY22 Contingent Liability	<u>(203,688)</u>
Available balance	<u><u>-</u></u>

## FY21-22 ESSER II & SUMMER ACADEMY BUDGET

### ESSER II

Description	Total	Salaries	Health & Payroll Taxes
HES math Intervention	46,500	45,835	665
WIS math Intervention	36,566	36,043	523
Share WIS/WMS math Intervention	103,078	75,062	28,016
Share WIS/WMS Reading Intervention	34,874	34,376	498
	221,018	191,316	29,702
Summer Academy	11,419	11,256	163
<b>Total</b>	<b>232,437</b>	<b>202,572</b>	<b>29,865</b>

### Summer Academy

**Funding Source**

Registration Fee (65 @\$350)	22,750	
ESSER II	11,419	
		34,169

**Expense**

Salaries	16,704	
FICA	242	
Administrative Fee	2,900	
Transportation -2 Buses for 12 days	10,443	
		30,290
<b>Net</b>		<b>3,880</b>

**Minutes**  
**Finance Committee**  
**March 26, 2021**

Present:

Gina Albert, Committee Chair  
Ruby Hedge, Committee Member  
Victor Escandon, Committee Member  
Dr. William McKersie, Superintendent of Schools  
Phil Cross, Director of Finance and Operations

Guests:

Ken Craw, Assistant Superintendent  
Lisa Wolak, Principal, Weston High School

Public:

Anthony Pesco, Weston Resident  
Hillary Koyner, Weston Resident

The meeting was called to order by Ms. Albert at 9:01 a.m.

The Committee discussed the following items regarding the ERIP discussion:

- Mr. McKersie reported that the WTA leadership approached administration with the suggestion that the District offer a new Early Retirement Incentive Program (ERIP). The WTA is not able to provide specific estimates as to how many of their members might take advantage of a new ERIP. The administration has analyzed offering a new ERIP, modeled on the current ERIP. The parameters as to who would be eligible matches the 2018 ERIP: age and years of service in District must total at least 74.5 as of June 30, 2021. This generated a potential pool of 35 people. Based on past ERIPs, there are an estimated seven staff members that would pursue the opportunity. Assuming that these seven staffers participate in the new ERIP, the estimated net budget savings for FY22 is \$46,099. Administration does not have evidence from the WTA that the number would exceed seven by any significant number. Based on this modest savings, administration is not recommending offering a new ERIP.
  
- The Committee disagreed and suggested that the ERIP be offered anyway, as the only way to truly know how many people will participate is to actually offer it. The District will move forward with the ERIP offering

The Committee discussed the following items regarding the FY20 End of Year Update:

- Back in October Mr. Cross reported that the District had an end-of-year balance of \$824,918 with a continuing appropriation of \$178,921. Of that \$824,918, \$600,00 was returned to the Town and \$177,568 was used to fund a non-lapsing account (to fund Covid related expenditures). Mr. Cross reported that the year-end balance has been adjusted to \$941,803. This is due to a reimbursement of \$41,885 from the CRF Grant and CARES Act, and because \$75,000 of the requested continuing appropriation has not been used. Based on the new year-end projection, the District will not need to draw funds from the non-lapsing account. To mitigate the FY22 requested budget, Mr. Cross is recommending that the District request a new MOU for the non-lapsing account that will assist with future unanticipated expenditures, request that the CRF reimbursement be added to the non-lapsing account, request that the FY22 non-recurring contingent liability of \$203,688 be paid from this account, and return the \$75,000 unused continuing appropriation to the Town.
- The Committee agreed with this approach, with the knowledge that the Board of Finance would need to change their understanding of the non-lapsing account, as they currently view the account as being for Covid expenses only.

The Committee discussed the following items regarding the monthly financial update including internal services fund (for dental):

- Mr. Cross reported that he is anticipating an ending balance of \$340,456. Salary savings from the previous month's report has increased by \$243,485. Based on current trends and anticipated expenditures through the year, Mr. Cross is optimistic that the projection will hold. The net month-over-month change of \$40,730 is due to savings in salaries, benefits, professional services, property services, and other services. Mr. Cross added that he previously anticipated having to draw from the non-lapsing account, but based on the projected year-end balance, he doesn't expect that the non-lapsing account will need to be used in FY21.
- The Committee discussed the Summer Academy which is being offered by the District. The academy is designed to provide additional math and reading help for students entering grades 1-8. Dr. Craw informed the Committee that he will have a better sense in a week as to how many students will be involved with the program, but feels there is a strong potential for the program to break even. Mr. Cross added that grants, such as ARP and ESSER 2 can be used to cover the cost of the program, and Dr. McKersie added that the District is confident that it will not lose money with the program.
- Regarding the ISF, Mr. Cross reported that there continues to be favorable claim results. The actual claims for the year are \$240,613 and the estimated year end fund balance is \$760,606.

The Committee discussed the following regarding FY22 Options:

- Mr. Cross reported that with the favorable projected fund balance for FY21, he is recommending some strategies to help mitigate both the requested FY22 operating and capital budgets. In regards to the operating budget, he is suggesting that the District request a change to the current understanding of the non-lapsing account that will allow the District to pay FY22 contingent liability from the account, that the District lower the request for health insurance based on preliminary rate guidance from the State, that the District pre-purchase books from the favorable FY21 balance, and that the District pre-pay the FY22 contractual early retirement incentive. For the capital budget, Mr. Cross is recommending that the high school old gym air handler replacement project be partially funded from the ARP Grant, and that the following projects be funded from the FY21 balance, the installation of a concrete pad over the oil tank at the high school, the sound dampening of music rooms at the middle school, and the purchase and installation of back-up generators at the bus garage.
- The Committee agreed to send the Board of Finance the details of these options, and then to also discuss it with them at the following Tuesday's Board of Finance's public hearing on the budget.

The Committee discussed the following regarding approval of the February minutes:

- The Committee approved the February minutes.

There being no further business to discuss, the meeting adjourned at 10:31 a.m.

Respectfully submitted:

Andrew Galli

Administrative Assistant to the Director of Finance and Operations