Regional School District No. 17

Board of Education

Finance/Facilities Subcommittee

Meeting Minutes

Co-Chair: Prem Aithal

Co-Chair: Shawna Goldfarb

A meeting of the Regional School District #17 Finance/Facilities Subcommittee was held on July 9, 2024, at 5:30 PM in the Central Office Board Room.

Subcommittee Members Present: Prem Aithal (Co-Chair), Shawna Goldfarb (Co-Chair), Nelson Rivera, Corey Roberts, Jennifer Voegtli

Subcommittee Members Absent: n/a

Others Present: Suzanne Sack, Jennifer Favalora (virtual), Superintendent Jeffrey Wihbey, Jack Butkus (Arcadis), Director of Finance & Operations Alison Pierce

Call to Order

The meeting was called to order at 5:34 PM by Prem Aithal (Co-Chair).

Approval of Previous Meeting Minutes

Nelson Rivera **MOVED** and Shawna Goldfarb **SECONDED** a motion to approve the April minutes. The motion passed.

Jennifer Voegtli **MOVED** and Shawna Goldfarb **SECONDED** a motion to approve the May minutes, with an amendment to change Corey Roberts as a meeting attendee rather than absent, by Jennifer Voegtli and seconded by Shawna Goldfarb. The motion passed.

Corey Roberts **MOVED** and Nelson Rivera **SECONDED** to approve the June minutes. The motion passed.

Arcadis Report on HKHS Configurations

Mr. Jack Butkus of Arcadis presented two HKHS project configurations for review: a grades 9-12 option and a grades 7-12 option. The subcommittee discussed the pros and cons of each and the potential downstream ramifications but did not make an official recommendation to the Board of Education for approval.

Facilities Manager Position Update

The subcommittee discussed the current status of the open Facilities Manager Position with new Director of Finance & Operations Alison Pierce. The district hopes to have a selection by mid-July.

Monthly Financial Reports

The subcommittee discussed the financial reports, namely the expenditures report, which showed substantial favorability (under budget) to the amount of $700K, as compared to the May month-end forecast, which projected the budget to be under by around $30K. The favorability not only came from health insurance but other items as well. Director Pierce indicated that some invoices need to be cleaned up but doesn't expect material changes from the June month-end summary. The subcommittee discussed that this might partially mitigate the expected boomerang effect created by the $1M reimbursement to towns from the prior year, but the district could have been $700K invested to the benefit of the school district this fiscal year. Director Pierce and the Superintendent agreed to look at their forecasting practices to ensure that conservatism is removed as the forecast gets later in the fiscal year.

Status of Year-End Items

a. Accrued P/O Issue from Prior Year: The subcommittee discussed this issue, which appeared as a material weakness in the prior financial audit. Director Pierce is aware of this issue and ensures it will not reoccur.
b. Insurance: As a result of closing out year-end invoices, it was noted that insurance was under budget by $750K, which was $250K more than expected based on last month's forecast. More analysis needs to be done, but the driver could potentially be driven by employees with insurance or open positions that left the district and were not replaced (and the insurance amounts were carried forward), adds/subtracts, etc. The subcommittee discussed that the insurance amounts should be known after completing open enrollment. More detailed analysis and modeling need to be done to understand the drivers of variance, but all else equal, it is expected that the 2024-25 year should also have insurance favorability compared to the budget.

2024-25 Risks/Opportunities Discussion

The subcommittee discussed several risks and opportunities for the upcoming fiscal year. The substitute teaching line item is expected to be a risk, while health insurance is expected to be an opportunity. Other watch items included special education expenses (expected increase in outplacements), the Haddam bubble class that recently graduated (shifting more share to

Killingworth), and the reimbursement boomerang effect (the $1M reimbursement driven by $600K+ of accrued purchase order audit issue drove a (2%) reduction from the net budget). It was expected to have a reverse effect in the next year depending on how much the reimbursement to towns was related to the 2023-24 fiscal year.

Budget Calendar

The district rolled forward a budget calendar for the subcommittee to review, and the subcommittee agreed to revisit it in the next Finance subcommittee meeting in September.

Future Meeting Discussion Items/Guest Attendees

The subcommittee discussed with the Superintendent a rotation of potential future invitees to the Finance meetings, including the Student Services Director (quarterly, one month after the quarterly forecast), Food Services (semiannually), Technology Manager, Facilities Manager, and Transportation.

Adjournment

The meeting was adjourned at 8:06 PM.