

Finance Committee

Wednesday, January 18, 2023 4:30 PM

Derby Middle School Cafetorium, 73 Chatfield

Street or via ZOOM

Join Zoom Meeting

<https://us02web.zoom.us/j/88559132888>

Meeting ID: 885 5913 2888

One tap mobile

+16465588656,,88559132888# US (New York)

+16469313860,,88559132888# US

Dial by your location

+1 646 558 8656 US (New York)

+1 646 931 3860 US

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 507 473 4847 US

+1 564 217 2000 US

+1 669 444 9171 US

+1 669 900 9128 US (San Jose)

+1 689 278 1000 US

+1 719 359 4580 US

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 360 209 5623 US

+1 386 347 5053 US

Meeting ID: 885 5913 2888

Find your local number: <https://us02web.zoom.us/j/88559132888>

1. Call To Order

**Speaker(s):** Mrs. O'Hara

1.A. Opening Ceremonies

**Speaker(s):** Mrs. O'Hara

1.B. Roll Call

**Speaker(s):** Mrs. O'Hara

1.C. Additions/Deletions to the Agenda

**Speaker(s):** Mrs. O'Hara

2. Public Participation

**Speaker(s):** Mrs. O'Hara

3. Approval of Minutes

**Speaker(s):** Mrs. O'Hara

4. FY 24 Budget

**Speaker(s):** Mrs. O'Hara, Mr. Trainor, Dr. Conway

5. Adjourn

**Speaker(s):** Mrs. O'Hara

## **OCTOBER 20, 2022 FINANCE COMMITTEE MEETING**

### **CALL TO ORDER**

Ms. O'Hara: Opened meeting at 6:05.

### **OPENING CEREMONIES**

Pledge of Allegiance

### **ROLL CALL**

Ms. O'Hara: Ms. Laura Harris; Ms. Rebecca O'Hara and Mr. Ken Marcucio.

### **Also Present:**

Dr. Matthew Conway, Superintendent of Schools.

Mr. Robert Trainer and Mr. George Kurtyka

### **PUBLIC PORTION**

Ms. O'Hara: Anybody from the public who would like to speak? No one would like to speak.

### **APPROVAL OF MINUTES**

**Motion the Finance Committee approve the minutes from the last meeting. Passed with a motion made by Mr. Ken Marcucio and a second by Ms. Laura Harris.**

**Ms. Rebecca O'Hara                      Yes**

**Ms. Laura Harris                        Yes**

**Mr. Ken Marcucio                        Yes**

Mr. Marcucio: Make a motion to approve the last meeting.

Ms. Harris: I'll second it.

Ms. O'Hara: Motion carries.

### **FY '23 BUDGET DISCUSSION**

Mr. Trainor: So, we're just keeping a close eye on the utility and as we talked about it before about rates, they sky-rocketed. So, we're just looking at it on a regular basis. The utilities, so just keeping an eye on it and see where we go with this winter.

Ms. O'Hara: There was one question that I had about that and you see it projected for the FY '23 budget, why did we not make it as high as what we overspent last year. It seems very low.

Mr. Marcucio: Yeah, it does.

Mr. Trainor: Yeah, it's a great question. The budget was already set when I came in. I don't have an answer for that. I noticed it as well when we were closing out the year.

Ms. O'Hara: Because obviously, it's only going to get worse.

Mr. Trainor: Correct. So, oversight on our part.

Mr. Marcucio: Do we have to make some kind of a contingency or something for that?

Dr. Conway: Yeah, if we go over budget and we will, I did request this week to get on to the Boat Committee Agenda for next Tuesday to request the 306 be moved to the non-lapsing account.

Ms. O'Hara: For energy?

Dr. Conway: That would be for any expenses up and above the budget. Because remember, our original budget we did not get the increase in order to cover those costs and we had to cut those out of the budget, but there's other items like utilities that we no choice. We can't turn off the lights or the heat.

Ms. O'Hara: Right.

Dr. Conway: So, that 306 would help cover anything up and above the approved packet.

Mr. Marcucio: We already took the 242, right?

Dr. Conway: 285. That's already in the non-lapsing account.

Mr. Marcucio: Okay. So, but here from the last meeting, you had a Special Ed non-lapse, 242. That's what that is?

Dr. Conway: Correct. This is separate from that though. That's already in the account.

Mr. Marcucio: Just the balance, the shortfall from this year's budget.

Dr. Conway: No, the 242 is the surplus from two years ago, from the '18/'19, budget combined or the '18/'19, '19/'20 combined is what that's from. The 2021 amount, it is 306. So, that will be in addition to the amount that's already in there.

Mr. Marcucio: Here's what I'm saying, there's 242 in here, making up the 900,000.

Dr. Conway: Oh, I got you, yes.

Mr. Marcucio: That 242 already in there to make up for that shortfall. So, we don't have that to spend.

Dr. Conway: Correct. A hundred percent, yes.

Mr. Marcucio: So, another question with this here is, with the problem we went over the discussion we had last time, we thought we had a surplus because we had less kids, but then we had more kids, so the difference of 800 or 900,000.

Dr. Conway: Correct. So, 306 would only cover half of that.

Mr. Marcucio: So, my question is, how could we use, we have Special Ed, we have 409,000 to make up for that 900,000. We don't have that exactly is it here.

Dr. Conway: We have 285 to make up for the 242. We have 306 that we're requesting to go into the account, in the non-lapsing account. We don't have enough to make up where our Special Ed budget is for that. We would have to go back to the City to go back to request additional funds for the Special

Education. We originally requested 409. Right now a 800,000 deficit of which we could use if they allow us to move the 306 into the non-lapsing. Off-set the 800,000 deficit that we're seeing in special education now.

It's lapsing.

Ms. O'Hara: Because it's looking like you're paying money with negative money. That's like why we didn't understand.

Mr. Marcucio: We don't have that any more because of the added kids. So, how could we use it to make that.

Dr. Conway: Okay. The 409 originally when we started the school year, we ran it to reduce the budget by the 409 okay, but we originally because kids had moved out of District. Since then, kids have moved in the District.

Mr. Marcucio: Yeah, you were saying that.

Dr. Conway: So, right now we're at I believe \$800,000 deficit of which we could use if they allow us to move the 306 into the non-lapsing, that could be used to offset the \$800,000 deficit that we're seeing in Special Education now. If there is anything up and above that, we would have to go back to the City as we have in previous years to request or at least put on notice that we are still working on a deficit due to Special Education costs. And if we get to end of year and that money is still needed, the City would be responsible to fund that amount. Similar to the way we used to ask for two contingencies and we never received it.

Mr. Marcucio: That part I understand. But the only part I don't understand is if we have that deficit of 800 or 900,000, how could we use 400,000 to offset this year's budget?

Dr. Conway: You can't.

Mr. Marcucio: That's what I'm saying.

Ms. O'Hara: That is written that way.

Mr. Marcucio: You have to find 400,000 somewhere else.

Dr. Conway: That is correct. You have to go back to the City and ask for it.

Mr. Marcucio: All right. So, they say these are not correct then?

Dr. Conway: These are correct.

Ms. O'Hara: They are correct.

Dr. Conway: So, what happened is, that's not a deficit there in 409. That 409 represents when this report was done and when the budget was done at the beginning of the year, so while we approved the budget back in June or May between June and September kids moved out of District. These were kids that were previously outplaced at our costs. But they moved to a different community. So, that community is responsible.

Ms. O'Hara: Yes.

Mr. Marcucio: Since we did the budget?

Dr. Conway: Yes. That's what that 409 represents.

Mr. Marcucio: I totally understand it, but what I don't see is this 400,000 grand included in the 900,000 grand?

Dr. Conway: No, totally separate. The 409 is offsetting the budget. So, the City said we're not going to give you all of this money. How are you going to reduce your budget. So, we were fortunate between that the time they passed the budget and we began trying to figure out what are we going to pay. So, we moved something from Alliance as you see other than we just reduced. But the Special Education, which is the out of District kids, we're able to reduce at that time the beginning of the year because they had left the District, so they did a number on our liability for us. So, had the City in other words, funded us for the amount requested, and those kids stayed, instead of being, no, those kids left, instead of being 800 short, we'd only be 400 short. Because we had 400 leave, 800 come in. If all those kids were staying, you'd have a 12 million – a 1.2-million-dollar deficit as opposed to only an 800,000 deficit if those kids had stayed.

Ms. O'Hara: It's just not showing there in that. It's actually there, but it's showing as a – I don't understand how it shows that the minus in the and you have to pay something else that's the minus.

Mr. Marcucio: It's understandable if everything stays the same and we didn't get any more Special Ed kids. Then we could use the 400,000 in that spot. But we got additional kids that caused the budget to go up another 800, 900,000?

Dr. Conway: You know, I'm going to —

Mr. Marcucio: How could you take money where there's no money?

Ms. O'Hara: Right. It looks like there's no money.

Mr. Trainor: We're talking about two separate things right now. So, our initial budget that we submitted was 19.9. They gave us 19.1.

Ms. O'Hara: Right.

Mr. Trainor: Kids came back into District, so that's the 409 that came back in. Even with those kids coming in we had a separate problem now with more kids coming in since this was done. And that's where the 800 comes from.

Mr. Marcucio: Are you saying that the shortfall – the way you're saying it is the shortfall than one million two hundred thousand.

Dr. Conway: If the kids came back into District and the kids that came into District after September, yes, we need 1.2 million. If we were unable to bring kids who were outplaced back in the District, we saved 409,000. If they were not able to come back into the District and we received the additional kids, we'd be in the hole of 1.2 million. But, we were able to bring kids back to the District who were previously outplaced. We saved 409,000, but at the same time we did that, more kids came in the District who were outplaced, who now became our responsibility to the tune of 800,000.

Ms. O'Hara: So, it's \$800,000.

Mr. Marcucio: It's 1.2 million.

Dr. Conway: No, it's \$800,000. It would be 1.2 million if we were unable to successfully bring multiple kids who were in an outplaced program that we were responsible for if they live in Derby. When I say bring them back we were able to bring them to our in-house programs in our schools, which you no longer, you're still paying for them, but you're not paying at the rate you pay by private or public even, outplaced facility at 100,000 a piece. I bring them back figure 1.2 -- 125 each. I bring them back in the District. I can service them for 25,000 each. I just paid 400,000. That's what that represents.

But at the same time I did that, eight more kids at \$100,000 each in an outplaced program, ended up moving to Derby. So, now I became responsible, when I brought back four who were in outplaced program, not I'm responsible for eight more, who is still in that outplaced program.

Mr. Marcucio: This all happened since school started?

Dr. Conway: Yes.

Mr. Trainor: Yes.

Dr. Conway: You know, interesting, how many kids do you think moved into District since school started?

Ms. O'Hara: How many that are enrolled, currently enrolled?

Dr. Conway: How many kids that you think moved into District since school started? How many kids enrolled since September that moved into Derby?

Ms. O'Hara: Okay. All right.

Mr. Marcucio: But the thing is should that 400,000 grand be used to make up the shortfall of 800,000?

Dr. Conway: No. Because it's not even your half.

Ms. O'Hara: Right. Because you have to ask for that money.

Mr. Marcucio: Since school started. We put the budget in, you're saying we put in the same budget for the number of kids from last year and we didn't have that many kids.

Dr. Conway: Well, this is after we got done. This is after September 1<sup>st</sup>.

Mr. Marcucio: How much did we budget, did we budget the Special Ed for the same amount of kids that we had last year?

Ms. O'Hara: No, two more.

Ms. Harris: Two more.

Ms. O'Hara: Extra.

Mr. Marcucio: That was after school started.

Ms. O'Hara: No. Before school started. Remember we budgeted it in for the two extra. That was like the safety net.

Ms. Harris: Do you remember that too?

Dr. Conway: The budget for 19.9. We got 19.1. That left us a of 813 and this showed you how you reduced.

Ms. O'Hara: It got reduced but then it went back up again.

Dr. Conway: It got reduced the 813 down to –

Mr. Marcucio: It's got to go to Boat, Doc. How do you explain that we have an \$800,000 shortfall but we're \$400,000 this year's budget to cover a shortfall that they didn't give us enough.

Ms. Harris: We're not though.

Mr. Marcucio: It says it right here.

Ms. O'Hara: He's explaining it it's coming from.

Dr. Conway: So, we were able to balance the budget. This is simply a balance of our appropriated budget. This is not inclusive of the additional kids that came into the District.

Mr. Trainor: Correct.

Dr. Conway: So, this is simply how we were able to balance the budget based upon an \$813,000 shortfall because the City didn't give us additional money. That's all this is. This is not inclusive of the 800,000 we need for new kids who moved into District who were currently outplaced.

Mr. Marcucio: We got those additional kids.

Dr. Conway: Additional kids, yes. The 400,000 we never had. That's part of the 813 that the City didn't give us. So, we asked for 19.9, we got 19.1. It left a hole of 813. We had to work on then reduce our budget by 813,000. One way able to reduce it was bring kids back who were previously in outplaced programs. That saved us \$400,000. After we balanced the budget to zero, kids moved into District, some of our kids are now in outplaced programs which we are not responsible for puts us in a new \$800,000 hole, a new \$800,000 hole.

Ms. O'Hara: Right. Nobody left.

Dr. Conway: If any of those new kids could be brought back into District for a savings before the end of the school year. Now, if its' two months before the end of the school year, we're still responsible from September to April for these kids. But think of it just in general terms. Say as an example, say it was 100,000 a piece.

Mr. Marcucio: But aren't these red numbers that you took in the budget. It's somewhere in the budget for the 800,000 shortfall.

Dr. Conway: We're 813 in the hole. The only way that 800,000 will get reduced is if any of those new kids could be brought back into District for a saving or moving to another community before the end of the school year. Now, if it's two months until the end of the school year, we're still responsible for September to you know, April for those kids. So, it's not going to reduce it to the amount of their outplaced program at \$100,000 as an example.



Think of it just in general terms, as an example, say it was eight new kids at 100,000 a piece. Those eight new kids in those outplaced programs, who now live in Derby, but not before when the budget was developed, and did not when we balanced the budget, they're in outplaced programs today as an example, at 800,000 each. We're now in the hole of that 800,000. We balanced it to zero like we were supposed to. This is after that date we got new kids into District at a total of \$800,000.

Mr. Marcucio: We're actually 800,000 in the hole.

Dr. Conway: Yes.

Mr. Marcucio: And the other thing, we're using \$400,000 to cover.

Dr. Conway: We never used 400,000. This is we're taking the budget, 19.9. So, if you're budget was \$100,000. Somebody said, we're not going to make \$100,000 this year, we're going to make 90. You guys took 10,000 out of your household budget. That's what this is. You took 10,000 that we didn't have and reduced our expenses, our yearly expenses by that amount but then all of a sudden a tree falls on your yard and you now have to come up with 10,000 to remove that tree, that's what this is. So, it's money you never had. You reduced the budget because you didn't have it and now something else happened where now I got to go find \$10,000 to remove the tree. That's what this is.

Mr. Marcucio: I just read numbers that we took from somewhere in the budget.

Dr. Conway: Money we needed but we were never given the money.

Mr. Marcucio: But it's somewhere in the budget to find the \$800,000 shortfall?

Dr. Conway: So, what we said, we were 813 in the hole. We said, you know what.

Mr. Marcucio: To reduce legal services \$25,000.

Dr. Conway: Yes.

Mr. Marcucio: So, legal services was in the budget if it was 100, they made it 75?

Dr. Conway: You got it. That's exactly it.

Mr. Marcucio: With the 400, you have a negative number. Where are you going to find \$400,000, which I don't see.

Dr. Conway: All right. The kids that in outplaced programs that were costing us probably one million dollars. We have four more. We brought them back into District at a lower cost.

Ms. O'Hara: It's additional.

Dr. Conway: No. It's two different things. So, think of this as balancing the budget like the tree, before the tree. So, you had \$100,000 household budget. To balance your budget, you need to reduce it by 10,000. Okay. I did that. I reduced my budget by 10,000. At some point during the year, the tree falls. I've got to come up with \$10,000 that I don't have.

Ms. O'Hara: It looks like they're paying something with minus money. That's how it looks.

Mr. Marcucio: That's how it sounds. The way it looks. It looks like minus money to make up minus money.

Ms. O'Hara: Right.

Dr. Conway: That's not what we're doing. This is a whole separate, this is a report to get the budget to zero based about what we're getting from the City. After this was done, the tree falls.

Ms. O'Hara: So, now you have to ask for that money.

Dr. Conway: You got it. We don't have it.

Ms. O'Hara: We don't have it.

Dr. Conway: The only thing we have is what I'm going to request next week is the 306 move into the non-lapsing account. We're still going to be short.

Mr. Marcucio: The only thing I see in my mind is that 400,000 should be used to separate that 800,000 shortfall.

Dr. Conway: We never had. We don't have 400,000.

Mr. Marcucio: Because we have less kids.

Dr. Conway: No, we don't.

Ms. O'Hara: They came back.

Dr. Conway: We have more kids. They never gave us the 400 to begin with. Because we asked for it, they never gave it to us. All right. What do we cut our budget because they didn't give us the money. Okay. We're going to work on bringing these four outplaced kids back in the District at a lower cost. That will save some money. And then we're going to look at reducing legal services.

Mr. Marcucio: How much is the budget for legal services, 25,000.

Dr. Conway: I don't think, check with Robbie what the total was. But we reduced it by 25. So, we said, we don't have any contracts that we're negotiating this year. It's an expensive process in signing a negotiated contract.

Mr. Marcucio: Before you continue, so based on what you said to the legal fees if you transfer that to the Special Ed money.

Dr. Conway: Legal, we've never had. Again, 23 never had the 25,000. This is all money that we asked for that we never received. They said, no.

Mr. Marcucio: This money here.

Dr. Conway: Yes, took it out of that budget. It's our budget. Not the budget the City gave us. They took it out of 19.9 to reduce it to 19.1. Then after we got it all reduced, more kids came in District and more outplaced. So, that 19.1 increased it \$800,000. I know the number is down more, it just works out that way, increased it \$800,000. I know the number is down, but it just worked out that way, increased it \$800,000. That's now money I have to go find. There's no way to reduce it at this point regarding all the

reductions we can in the budget. Some kids move out of District who are at a high cost, or to bring back additional kids into full outplace program into house program to make up some of that \$800,000 loss. And then we're rely on the 306 if the Boat Committee approves to put that into the non-lapsing account.

Ms. O'Hara: Which has 200 and something in it already.

Dr. Conway: Correct.

Ms. O'Hara: But that was in the non-lapsing account.

Ms. Harris: Wait a minute. Go ahead, Doc.

Dr. Conway: To Ken's point, the 232 you see here the City says the same line item, the City said it's 235. You are correct. That's why I'm not saying we used that. I'm saying we only have 306.

Ms. O'Hara: Oh, I see.

Dr. Conway: I'm not telling you 235. That's already being used to make up, to get us to 19.1.

Ms. Harris: To get us to 19.1.

Dr. Conway: Right. But all the other things was money we never used.

Mr. Marcucio: The 306 you can use for the 800.

Dr. Conway: You got it. So, we're still going to be short \$500,000.

Ms. Harris: So, isn't that the same date that we have our Board meeting?

Dr. Conway: Tuesday. Next Tuesday is the Boat Committee. I asked to be on the agenda for the 306. We have done this other years. I go to the Boat Committee meeting, I've gone in November. I've gone in April to notify them that at this particular time in the year based upon these costs for Special Education, we will have a shortfall. Two years ago it was a shortfall of 400,000. But right now, as we're sitting here today it is 800,000. That could change tomorrow, but I would need to notify the City.

Ms. Harris: Are they meeting in person, Doc?

Dr. Conway: No, it's Zoom still.

Ms. Harris: Zoom still.

Ms. O'Hara: It's just when you look at that, it looks like because now you explained it, taking negative money to pay something that is negative already.

Dr. Conway: No, it's reducing by that amount and we don't have it.

Ms. O'Hara: Now, I know why.

Mr. Marcucio: I still can't see it. Regardless of when the kids came in, you could have a negative of \$800,000 and still need 400,000 to offset.

Dr. Conway: Are you around tomorrow morning. Coffee.

Mr. Marcucio: I have a dentist tomorrow morning.

Ms. O'Hara: We better move on to the other meeting.

Dr. Conway: All of this discussion is on the agenda for the next meeting as well.

Ms. O'Hara: Right. Once a month. Would you like to go back to the way that they were or do you want to do it like this before the regular meeting.

So, you don't mind having it the day before or whatever.

Ms. Harris: 4:30.

Ms. O'Hara: However you want to do it. Did you want that Wednesday.

Mr. Trainer: Just an hour.

Ms. O'Hara: Yes.

Dr. Conway: Depends on the time, Thursday. I did say to Dina, you guys got to come out two nights in a row as opposed to one.

Ms. O'Hara: I don't really care if you don't.

Mr. Marcucio: It would be better if we did it before this meeting.

Dr. Conway: If you can make it at 5:30.

Ms. O'Hara: Yeah, I'd make sure.

Dr. Conway: We could set it for 5.

Ms. Harris: 5 instead of 5:30.

Ms. O'Hara: Would you rather do the separate day. Do you want me to text Dina.

Dr. Conway: Yeah.

## **ADJOURN**

**Motion that that Finance Committee adjourn its meeting. Passed with a motion made by Ms. Laura Harris and a second by Mr. Ken Marcucio.**

**Ms. Rebecca O'Hara**                      **Yes**

**Ms. Laura Harris**                      **Yes**

**Mr. Ken Marcucio**                      **Yes**

Ms. Harris: Making motion at 6:40.

Ms. O'Hara: Second.

---

Marianne Samokar, Recording Secretary