

Budget and Finance Committee Notes
Monday, June 28, 2010, 5 PM

Attending: Board Members Collins, Garrity, Pascucci and Sockol; Administrators Mikos and Petrizzo. Guest: Gerichter. Absent: Duncan

- 2009-10 Food Service Update; 2010-11 Food Service Renewal:** Bill Gerichter, our food service consultant, reported on food service results for 2009-10. The program is projected to produce a \$25K surplus (+\$5K vs guarantee), while also absorbing equipment maintenance costs, and Mr. Gerichter's fee. Sales were off 6% (roughly \$75K), and the number of our children who qualified for free or reduced price lunch rose, probably due to economic conditions. Menu prices will remain at current levels for the 2010-11 school year. The committee discussed and recommends approval of our food service contract with Chartwells for 2010-11. It includes a \$25K guaranteed surplus. We are due to rebid our food service contract next year, to take effect in 2011-12.
- Appropriation of current year General Fund balances:** We have requested permission from the Executive County Superintendent to use approximately \$1 million in estimated current year general fund balances to fund four capital projects with health/safety implications. They include: a. creating separate parking for buses at IH to separate loading and unloading buses from other vehicular traffic at arrival and dismissal; b. work on existing HVAC air handlers at IH; c. roofing and flashing work at VS; and d. paving work at Satz. We are awaiting the Executive County Superintendent's response.
- 2010-11 Workers Compensation & Property/Casualty Insurance Renewals:** The Workers Compensation renewal rate includes a 3.9% increase, but is \$5,300 below budget. The Property and Casualty renewal rate includes a 5.5% increase, but is \$12,000 below budget. As always, costs for some coverage increased but other areas decreased. The area showing the greatest cost increase was Compulsory Athletic Accident insurance. By changing carriers for this line, our administration was able to realize a smaller increase while also gaining new coverage for intramural sports, band, majorettes, cheerleaders and non-sports extra-curricular activities. The committee recommends approval of this agenda item.
- Health Insurance Claims Experience Data:** As a first step in determining whether it would be cost effective to leave the State Employees Health Benefits Plan, we have requested our claims experience data from them. In 2008-09 the value of claims paid exceeded premiums collected by 11%.
- Bid Threshold Increase:** In line with changes in Public School Contracts law, the committee recommends increasing our bid threshold from \$29K to \$36K. This is the first change in 5 years.

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6. **2010 Summer Academic Enrichment Program Update:** Based on the latest enrollment figures, the enrichment classes should break even on fixed costs, but not “soft” costs such as utilities. Lower enrollment is likely due to economic conditions. Surplus from previous summer programs will cover any shortfall. Curriculum & Instruction Committee plans to review the program this fall.

7. **Other Matters:** In May the committee decided to examine the following areas for cost savings and/or revenue generating changes. Our progress to date includes:

- Transportation – will be reviewed this fall
- Overtime – being worked on by Buildings & Grounds Committee
- Telephone/communications – Anthony Gattini will be invited to a future meeting to discuss our current arrangements and cost saving initiatives
- Health insurance – getting current year claims experience
- Pay-to-participate – checking legal limitations; investigating what other districts have done.

Next Meeting: Monday, July 26, 2010 at 5 PM

Respectfully submitted,
Barbara Garrity