
TRUMBULL PUBLIC SCHOOLS
TRUMBULL, CONNECTICUT

Finance Committee of the Trumbull Board of Education

Minutes

Date of meeting:

June 30, 2015

Attendees:

Loretta Chory (Chair), Rosemary Seaman, Joe Peddle, Sean O'Keefe

Location:

Long Hill Administration Building

Start: 5:30 P.M.

End: 7:15 P.M.

The Chair called the meeting to order at 5:30 P.M.

The committee approved the minutes from May 27, 2015.

First agenda item was a review of the five year capital plan for the Food Services Department. Mrs. Sinko, Director of Food Services, was present at the meeting to review the charts and she responded to several questions from the Finance Committee.

Next agenda item was a detailed review of the Gibson Report recommendations and previous responses from the Finance Committee back in October 2013.

For a number of the recommendations, the original responses from the Finance Committee still stand today. They are:

- 3.1 Consolidating Accounts Payable and Payroll functions into Town of Trumbull – declined by BOE in Oct 2013
- 3.2 Use cooperative purchasing agreements – continue to participate
-
- 3.3 Ensure that the Town and TPS have regular internal audits that are based on comprehensive risk assessments – TPS undergoes a comprehensive annual audit with Blum Shapiro which includes a full scope review of all accounts, including but not limited to significant testing in Payroll and Accounts Payable, bank accounts, and an IT security assessment, however no progress has been made on the recommendation for internal audits based on risk assessment. Mrs. Chory is working thru the Policy Committee to implement an Audit Policy to address this item.
- 3.4 Implement automated time-keeping system – currently in bid process and will implement a pilot in 2015-16
- 3.5 Mandatory direct deposit – although this is implemented in some bargaining units, some do not have this language and will require negotiation. Have been working to encourage direct deposit and have made significant advances resulting in less than 100 employees that are NOT on direct deposit (< 10% of total employees).

-
- 3.6 Move employees on weekly payroll to bi-weekly – number of hourly employees paid weekly ranges between 450 and 500 (as of July 1, 2015).
 - 3.7 Incorporate efficiency measurements into the budget development process – already using some efficiency metrics and will continually look to improve the budget process.
 - 3.8 Improve financial transparency by overhauling the TPS chart of accounts – already participating in a “mapping” of local accounts into a standard chart of accounts. The Business Office has met twice with Blum Shapiro which has been tasked with coordinating this effort for all school districts and based on meetings, the firm will be completing the mapping process for TPS..
 - 3.9 Conduct a detailed audit of the TPS payroll function, including employee leave reporting – we undergo a thorough annual audit of our payroll process and employee leave reporting with “deep” testing by Blum Shapiro. To date, results have been favorable with no findings.
 -
 - 4.1 Investigate opportunities for consolidated or shared IT services between Town and TPS – this has been looked at previously and determined to be of no benefit to TPS. 4.2 Upgrade technology equipment and network infrastructure –TPS implemented “Project Catapult” and with that, the technology and infrastructure has been vastly improved since 2012 and the technology will continually be refreshed at the appropriate time.
 - 4.3 Fully implement MUNIS and eliminate supplemental applications (ie FileMakerPro) – this is currently in process. For 2015-16, financial reports and budgets will be programmed within MUNIS and generated much more quickly than in the past. 5.1 Develop a cooperative maintenance and custodial function between TPS and the Town – have already implemented in some areas and will look to do more if it makes sense from an efficiency or cost point of view without a degradation in service levels.
 - 5.2 Conduct a comprehensive energy audit – ongoing. Our new Facilities Director has embarked on a multi-year energy efficiency improvement project including building automation systems, upgraded boilers, LED lighting, and solar arrays.
 - 5.3 Over next three years, convert up to 25% of custodial workforce from a 260-day to 186-day schedules – declined by BOE in Oct 2013
 - 5.4 Consider outsourcing custodial services – declined by BOE in Oct 2013
 - 6.1 Implement a more efficient Food Services schedule to achieve a more efficient Food Services staffing – declined by BOE in Oct 2013; determined to be impossible due to the dependency of the lunch schedule on the overall instructional schedule.
 - 6.2 Increase student participation rates in TPS school cafeterias – this is an ongoing process to improve the quality and value of Food Services.
 - 6.3 increase TPS school lunch prices – this is looked at annually. Since the Gibson Report, an increase of 20 cents was implemented in 2013-14.
 - 6.4 Allocate general fund expenditures incurred by Food Services to that operation – ongoing for Health/Dental and other benefits. We do not allocate occupancy or utility costs.
 - 7.1 Restructure the transportation contract upon its expiration in 2013 – completed. Signed a 5 year contract with Dattco whereby TPS leases the buses and Dattco provides the drivers, maintenance, etc. We also implemented a two tier system and adopted a 4, 5, 6, or 7 hour positions to save money.

-
- 7.2 Return to former policy of enforcing a one-mile walking radius for elementary schools – would not save money and would increase safety risk for students. Declined by BOE in Oct 2013.
 - 8.1 Consider consolidating the Town and TPS health insurance programs and moving to the State Health Insurance Program – the State Program was considered and determined to be “high risk” in terms of actually saving money. In the meantime, TPS has implemented a self-funded program that yielded more than \$3.6M in its first year which enabled the minimum reserves to be fully funded. In the second year, we continued to perform well and have set a goal to build up the reserve to 2 years which will ensure that every budget year will have full coverage for the district’s aggregate stop loss exposure.
 - 8.2 Phase out the payment in lieu of benefits for employees waiving participation in the health insurance program – have implemented for a number of bargaining units and will fully implement as each bargaining unit contract comes up for renewal.

During the Gibson Report agenda item, there was a lengthy discussion on recommendation 3.3 regarding having regular internal audits based on comprehensive risk assessments. Mrs. Chory advised the Finance Committee that she had amended her proposed Policy to establish a BOE Audit Committee to align more with the Gibson Report recommendation. Specifically, the proposed policy now states that the Audit Committee would develop a formal risk assessment list of financial and operational areas of Trumbull Public Schools. Mr. O’Keefe said that he felt strongly that any risk assessments and additional audit scope could be developed by the Finance Committee. He also stated that he believed that that it would make more sense for Blum Shapiro (current “independent” external auditor) to perform these additional tasks. Mrs. Chory disagreed stating that having the Business Manager as a member of the Audit Committee e, it would present a conflict of interest. Mrs. Seaman stated that the subject of the establishment of a BOE Audit Committee would need to go the full BOE for a vote. It was suggested that Mrs. Chory meet with the superintendent to get his input before the item moves forward to the Policy Committee and full BOE.

Next item discussed was the Financial Reports thru May 31, 2015. The Committee briefly discussed a number of accounts where there were questions and then the discussion moved on to the status of the projected yearend surplus. Mr. O’Keefe explained that based on an “attainment-based” analysis of May 2015 actuals, he believed that there is a -possibility for a yearend surplus of approximately \$400K but cautioned that there are still many PO’s and invoices that remain open. In addition, he mentioned that the June medical claims were coming in higher than expected and could impact the total projected balance. Mr. O’Keefe reminded the Finance Committee of the Board’s approval at the June 9 BOE meeting that any surplus would be used first to eliminate the deficit balance in the Elementary Band/Strings and Athletics Special Program Account (non-BOE accounts) and the remainder of any surplus would be applied to the BOE Health Reserve at the Town.

Meeting was adjourned at 7:15 P.M.