

CITY SCHOOL DISTRICT OF NEW ROCHELLE (CSDNR)

Facilities and Finance Committee Meeting

Board of Education (BOE) Offices

Carew Room

October 1, 2018

In attendance:

Jeffrey Hastie, CSDNR BOE President,

Amy Moselhi, CSDNR BOE Vice President,

Brian Osborne, CSDNR Superintendent

Jeffrey White, CSDNR Assistant Superintendent for Business Affairs

Heidi Hohlfeld, CSDNR Treasurer

Adam Egelberg

Darin Feldman

Joyce Furfero

Jennifer King

Adriane Moses

Fay Pinto

Call to Order

CSDNR BOE President, Jeffrey Hastie, called the meeting to order at 4:30 pm.

Welcome

President Hastie welcomed everyone and thanked them for coming.

Introductions

Those in attendance introduced themselves and summarized their personal and professional backgrounds and interest(s) in serving on the committee.

Motion to appoint a Secretary

President Hastie requested a volunteer to be the Secretary. Joyce Furfero volunteered. Mr. Hastie nominated Ms. Furfero, her nomination was seconded, and she was unanimously elected to serve as Secretary.

Resolution and Mission

Mr. Hastie read Resolution #19-101, the Committee's Mission Statement, into the record.

Document review

Vice President Moselhi reviewed relevant documents with the committee members

Material Specific to the CSDNR

Exhibit I: School Budget 2018-2019, includes salaries and benefits, approved June 19, 2018

- (1) Each account has a classification and coding schematic (pp. 7-10 of the pdf file)
 - a. Fund code = alpha (the particular fund, e.g., A = General Fund)
 - b. Function code = 4 digits (the purpose of the item)
 - c. Object code = 3 digits (the article or service purchased)
 - d. Location code = 2 digits (the building or program)
 - e. Program code = 4 digits (the location of the program)
 - f. See document with complete list of Codes
- (2) The budget summary (p. 11 of the pdf file)
- (3) Total revenues and source (pp. 12, 19 of pdf file)
- (4) Total expenditures and use (pp. 13, 20 of pdf file)
- (5) Property owners portion of the revenue is called the tax levy
- (6) Tax levy = Total expenditure – all other revenue sources
- (7) Construction: Add up all expenses, subtract out expected revenue from non-property tax sources to get the tax levy
- (8) Divide the tax levy by the assessed valuation to get the property tax rate

Exhibit II: Preliminary Zero-Based Budget (ZBB)

- (1) You can compare last year to this year “Budgets”
- (2) Start from \$0 and justify each expenditure
- (3) Does not include benefits and salaries

Exhibit III: CSDNR Demographic and Enrollment Analysis prepared by Western Suffolk Boces

Exhibit IV: CSDNR Long Range Planning Study

- A. Long Range Planning Study Update Demographic and Enrollment Analysis
- B. New Rochelle shows a declining trend in # of school-aged children, lower birth rates after 9-11
- C. The study includes children from only developments that have been approved to date (approx. 2,900 residents), not from the potential number residents (approx. 6,300 residents)
- D. By lease, City Hall building will revert to the CSDNR when City Hall staff moves to new facility
- E. Where do programming and educational needs intersect?

Exhibit V: Audit information (CSDNR Financial Statements and Supplementary Information, 2014-2015, 2015-2016(a), 2016-2017(a))

- (1) New York State law allows a School District to maintain up to 4% of the ensuing year's budget, exclusive of the amount assigned for the subsequent year's budget (if any), as unassigned fund balance.

- (2) Unassigned fund balance is like a savings account/nest egg for rainy day.
- (3) GAAP – financial rules for private sector
- (4) GASB – financial rules for public sector
- (5) Independent auditor (PKF O'Connor Davies) provides independent audit statement
- (6) CSDNR has an internal auditor
- (7) Need to show that CSDNR has internal controls to prevent people from getting hand in till
- (8) Each year, the outside auditors ask to look at a specific activity. Last year, the auditors asked to look at extra class activities (clubs). Extra class activities are funded by the clubs (off-budget). See CSDNR Financial Statements and Supplementary Information, 2015-2016(b), 2016-2017(b).

Exhibit VI: Citizen Advisory Committee findings and Recommendations Reports for 2012 and 2013-2014

- (1) Catalyst for formation of the CAC was a desire to cut transportation funding (busing)
- (2) CAC looked at ways for CSDNR to save money
- (3) Prior administrations had stashed away \$20 million in reserve funds
- (4) None of the recommendations were adopted.

Exhibit VII: Resolution forming this committee #19-101

- (1) Tomorrow, another resolution forming this committee with names of committee members will be read into the record.

Exhibit VIII: Treasurers Report – explained by Heidi Hohlfeld

- (1) Cash report
- (2) Used to be reported once/year
- (3) BOE expects to present this report each month going forward
- (4) BOE's goal is to get a better handle on how surpluses build up
- (5) Encumbrance = earmarked money
- (6) Purchase Order – a document needed for each purchase. Nothing is bought without a purchasing order. Once put into system, that money becomes encumbered (earmarked)
- (7) Staff members should get a purchase order before buying something. However, staff members notoriously buy things and then submit claims to get a purchase order and reimbursement. Need to train staff at beginning of semester to put purchases into encumbrances (obtain purchase order) before buying.
- (8) Claims auditor gives a report to the board
- (9) At the beginning of the school year, some encumbrances are estimated, e.g., oil prices
- (10) Problems with time period for estimating encumbrance, e.g., 10-month v 12-month v quarterly

Jennifer King asked what Jeff White wants to get out of this committee. Mr. White said that he needs to get people following procedures and CSDNR must have consequence for people who do not follow procedures, e.g., those who purchase and submit claims rather than get purchase orders first.

Exhibit IX: Non-Disclosure Agreement – members of the Committee need to sign a Nondisclosure Agreement in the event that we discuss anything that is confidential to the district

Material Non-Specific to the CSDNR

Exhibit A: Module 2 “The responsibility of the Board of Education in school district finances” (All BOE’s responsibilities with respect to a school budget)

Exhibit B: New York State School Funding Transparency Form (Guidance Document)

- (1) per pupil accounting
- (2) how can CSDNR make our budget to be more transparent
- (3) backward looking in August to prior year

Exhibit C: New York State School Funding Transparency Form (Frequently asked questions)

Exhibit D: Reserve Funds available to School Districts

- (1) BOE’s goal is to draft a Reserve Plan to be approved in June

Exhibit E: Reserve Funds available to School Districts (Table)

- (1) Excellent document from which to familiarize oneself with the different types of funds.

Exhibit F: 2017-2018 State Aid Handbook

- (1) Lists all different types of State aids
- (2) Foundation aid – CSDNR is being robbed

Exhibit G: 2018-19 Budget Development School District Guidelines

Exhibit H: School Districts Accounting and Reporting Manual (Revision 2018)

School District Accounting and Reporting Manual

Requests for committee member interests

Ms. Moselhi asked for members to identify areas on which they would like to work.

Adrienne Moses – demographic enrollment and CAC

Fay Pinto – zero-based budgeting

Joyce Furfero asked if Ms. Moselhi could be a little more specific and suggest areas of interest.

Ms. Moselhi suggested “structure of the budget,” “what feeds the budget,” “reserves,” “streamlining the budget process,” “forecasting,” “presentations on what schools are doing – is money being appropriated the way residents want it to be allocated,” “transparency in the new law,” etc.

For example, the budget process

1. Community input forum – establish a wish list from residents, conduct a cost-benefit analysis, identify tradeoffs, ask: how are recommendations finding their way into the budget? Or are they not?
2. Do a lookback – this year, BOE needs to look back at last year’s requests to see what did not get into the budget and determine whether any of the omissions should go into the budget this year
3. Currently, BOE invites the public to budget meetings in February and asks people what they want to see in the budget or what changes people might make
4. Possibly set up an email account to receive suggestions electronically
5. This last year, a problem was waiting for \$s on State aid. Perhaps, publish a “cost to continue budge” document for distribution, i.e., a document that shows what it would cost just to continue with the same budget, without State aid

The committee will have a common email address from which all members will receive an email: Finance@nredlearn.org.

Contact information for Hastie and Moselhi:

Jeffrey Hastie, jhastie@nredlearn.org

Amy Moselhi, amoselhi@nredlearn.org

Next meeting is scheduled for Wednesday, October 24,2018, at 4:30-6:00 pm.

The meeting was adjourned at 6:05 pm.

Respectfully submitted,

S/

Joyce Furfero
Recording Secretary