

**East Lyme Board of Education
Budget Committee Meeting Minutes
September 15, 2009
Central Office**

Board Subcommittee Members Present: Committee Chair Tim Hagen, Mary Broderick, Melissa Ford, Kevin Seery

Excused: Marlene Nickerson

EL Administrators Present: James Lombardo, Superintendent of Schools/ Karen Costello, Administrator for Program Improvement/John Sullivan, ELHS Principal/Judy DeLeeuw, ELMS Principal/Don Meltabarger, Business Director

Others Present: Nancy Burdick

The meeting was called to order at 3:00 p.m.

Agenda Item 1. FY 10 Budget Transfers

Don Meltabarger recommended to the committee the transfer of budgeted amounts for 1 FTE from salary and benefit objects to contracted services. As was done in 2008-2009, district-wide network services will be performed by Business Network Systems, an outside contractor. The committee endorsed the recommendation and further requested that this adjustment be made for the 2010-2011 budget proposals.

Don Meltabarger informed the committee that through the Town's negotiation efforts a savings of \$61,000 was realized this summer in Worker's Compensation Insurance for the FY 10 Budget. Don recommended that \$6,643 be transferred from the Worker's Compensation Insurance object to cover deficits in five other insurance objects. The committee endorsed the transfers.

Agenda Item 2. FY 10 Budget Discussion

The committee reviewed the Estimated Budget for FY 2009-2010 as of August 31, 2009. The teacher salary account is projected to be \$96,000 in deficit which is primarily due to overestimating the amount of salary breakage accrued through teacher retirements. However, surpluses projected due to savings in worker compensation insurance and not filling the Assistant Principal position at the Middle School until December 2009 balance out the salary account shortfall. The committee noted that we normally are realizing a surplus in Teacher Salary at this point of the year. In addition, we are not projecting large breakages due to retirements for next year's budget. Dr. Lombardo commented that there is virtually no flexibility in the budget. In addition, he expressed concern over the potential for substantial increase in Special Education due to enrollment changes. Consequently, he will be placing a hiring freeze within the district until the budget projections are more favorable. The committee discussed whether supply spending should also be frozen at this time. Dr. Lombardo felt that supply spending should continue but that the Administration would continue to carefully monitor the budget projections.

The committee also discussed the enrollment numbers as of August 31, 2009 and noted that the decline in total enrollment (70 children) was much less than projections (100 to 150 children) discussed in FY 2009-2010 budget deliberations.

Agenda Item 3. Response to the Board of Finance re: FY 08 Audit Report

Kevin Seery reported the overall positive feedback from the Board of Finance meeting on September 9, 2009. Based upon Schedule of Findings from the Town Audit for the year ended June 30, 2008, the Board of Finance is requesting that Capital Leases, such as for vehicles and copiers, be put into the Town Capital plan. Additional questions concerning the breakdown of encumbrances to show which are encumbrances and which are accounts payable were raised. Dr. Lombardo offered to have the Administration prepare a response for the committee's review.

The committee was adjourned at 4:25 p.m.

Respectfully Submitted,
Tim Hagen
Budget Committee Chair