

**SHELTON BOARD OF EDUCATION
FINANCE COMMITTEE MEETING
APRIL 18, 2012**

Arlene Liscinsky called the meeting to order at 5:07 p.m.

Pledge of Allegiance

Roll Call: Committee Members: Arlene Liscinsky, Mark Holden, and Win Oppel.

Also in Attendance: Allan Cameron, Director of Finance; Freeman Burr, Superintendent of Schools (5:10); Board of Education Members: Tom Menotti, Kathy Yolish, and Jim Oraziotti (5:17); Former BOE Member, Kate Kutash; Judson Crawford, A&T; Lou Marusic, Director of Finance, City of Shelton.

ACTION: Win Oppel moved to approve the agenda.
Mark Holden seconded the motion.
A vote was taken with all in favor. Motion carried.

I. MINUTES OF THE FINANCE COMMITTEE MEETING OF MARCH 21, 2012

ACTION: Mark Holden moved to approve the minutes of the Finance Committee Meeting of March 21, 2012.
Win Oppel seconded the motion.
A vote was taken with all in favor. Motion carried.

II. REVIEW AND APPROVAL OF FINANCIAL REPORTS

1. Object Summary (L2) for 2011-2012 School Year

Al Cameron proceeded to review L2 dated 04/18/2012.

Salaries: Salary journal entries were completed through March. Teachers and administrators salaries were 67.2% expended compared with 63.4% at this time last year. This year there were 20 payrolls posted at this time vs. 19 payrolls at this time at this time last year.

BOE is over budget by \$197,356. "Other payments-Certified" is over budget at this time because the revenue from Pay-to-Participate has not yet been posted. The collection season ended so a deposit will soon be made.

Tutor expenditures over budget; however, none of the tutors have been booked off to the Title I or IDEA grants yet. Twelve per cent of the students are Special Education; therefore, a portion of the tutor expense can be charged to IDEA and Title I. The Excess Cost reimbursement request has been sent to the City. A copy of the letter to Sharon Scanlon dated April 12, 2012 has been put in the mailbox of each committee member.

The non-cert payroll was 79.0% committed vs. 73.9% at this time last year. Again, a comparison is not valid because of the difference in the number of payrolls.

Benefits: Health, dental and life insurance and merit pension have been posted through March. It is expected that health insurance will end up below budget this year. Year to date dental insurance expense is \$190,000. \$330,000 is in the account. FICA (except for November) and Medicare payments have been posted through March.

The City has charged the BOE \$192,960 for **unemployment** vs. a budget of \$32,738. BOE unemployment is budgeted in the City budget. An opinion in writing is expected from Attorney Welsh clarifying the legitimacy of this charge to the BOE.

As reported last month the BOE was billed \$489,174.13 for **workers' compensation** by the City. The budgeted amount is \$174,701. The BOE has been told that this bill is for the actual expenses paid to BOE employees. This is still being investigated.

These unanticipated expenses are putting the BOE over budget by \$450,000 year-to-date. Projection to year-end puts the deficit at \$780,000. A statement of those charged still shows maximized people who should not be included any longer. Those reversals need to be made. The HR Director is looking into this.

Instructional Materials: 49.5% of the budget has been committed vs. 69.3% last year. The elementary schools have expended 69.3% of their budgets, SIS 65.3%, SHS 64.5%, and Special Education 71.3%, and Office of Instruction 21.8%. Items will be purchased by the end of the year.

Program Improvement & Staff Development: 126.0% of the budget was committed vs. 61.6% last year. Of the \$157,201 expended, approximately \$86,000 of the expended budget went to teachers who worked on the curriculum-writing committees. Three professional development days have been scheduled; and most of the expenditures have been made.

Tuition: \$2,053,666 has been expended through March 31st. \$363,318 has been encumbered. All student outplacements have been encumbered. Tuitions are over budget by \$204,000. Special Education private placements are over budget by \$355,000 and may qualify for the Special Education Excess Cost Grant. Discussion followed regarding the placement of a student in a safe house located out of district.

Transportation: Buses are normally encumbered after October 1st to apportion the cost to the appropriate level. The encumbrances on the books presently have been rolled over from last year to allow the bills to be paid and will need to be adjusted for this year's rates and the October 1 census due to the absence of the Transportation Coordinator. The billing is being reviewed. Special Education transportation is overcommitted by \$356,400. The commitments have to be reviewed to determine if, in fact, they are over budget. If so, the excess may qualify for the Special Education Excess Cost Grant.

Administrative Expenses: 87.0% has been committed vs. 78.4 % last year at this time. Some non-instructional supplies have been ordered, and most of the dues and fees have been paid. The balance of the items is encumbered throughout the year. The budget for this family of accounts was adjusted downward by \$49,479 because of the closing of Lafayette School and the SHS accreditation process.

Heat and Utilities: Electricity and natural gas budgets have been encumbered and have been adjusted but need further review. Year to date electricity cost totaled \$654,507 for 7 to 8 months. The bills are not received at the same time. Year-to-date kilowatt usage is 10.0% higher than the 3-year average because of PHS which uses electricity on a par with SHS not Lafayette school.

Fuel oil deliveries are less than the three-year average. The average price per gallon in March was \$3.38.

Nine invoices have been paid for gas. A mild winter continues to help with gas usage. Discussion followed regarding issues Yankee Gas and Santa Fuel.

Building and Equipment Services: 85.3% of the budget has been committed vs. 86.7% last year. Spring projects include tennis court repairs, improvement to softball fields, training room at Central Office and improvements to the front entrance to SHS.

Support Services: 161.4% committed vs. 102.6% last year. The expense overages are related to transportation consultants and HRIS implementation. Two payrolls have been achieved with success. The focus is moving to the HR portion of the project.

Equipment: 91.3% expended vs. 35.2% last year and 23.9% the year before.

Athletic Account Balance as of 04/18/12 was \$204,311.92. Two payments are left for the football field.

Parking Account Balance as of 04/18/12 was \$24,350.

Pay to Participate billed a total of \$255,310 to 796 participants. The balance after adjustments and refunds is \$213,045.00. They are about \$65,000 short of the target.

ACTION: Win Oppel moved to approve the Object Summary (L2) for the 2011-2012 school year.
Mark Holden seconded the motion.
A vote was taken with all in favor. Motion carried.

2. Check Registers and Cash Disbursement Journals

ACTION: Mark Holden moved to approve the Check Registers and Cash Disbursement Journals for March 13, 2012 (2011-2012); March 14, 2012 (2011-2012); March 21, 2012 (2011-2012).
Win Oppel seconded the motion.
A vote was taken with all in favor. Motion carried.

Petty Cash summary was handed out. Reconciliation to the City GM360L was not available.

III. OLD BUSINESS

1. **Review Year-to-Date Expenditures** – Discussed previously.
2. **Report on Workers Comp charges** – Discussed previously.
3. **Discussion of Budget Presentation to BOA and Board of A & T**

The City of Shelton BOA Budget Meeting Schedule was handed out.

IV. NEW BUSINESS

A copy of an email to John Anglace and Allan Cameron from Lou Marusic regarding the BOE Minimum Budget Requirement (MBR) for Fiscal Year 2012-2013 as Determined by the State Department of Education was handed out. In summary, the MBR was calculated to be \$63,736,627.

Superintendent Freeman Burr addressed the Committee with several approaches to covering the \$1.1million gap including cutting back on his request for 5 teachers, athletic fund reduction, textbook and materials reduction, reorganization of departments, and retirement incentive to teachers.

Win Oppel referred to \$600,000 shortage for next year in health insurance and worker's comp as well as all the contracts going up next year and was very concerned about the year after.

Mr. Burr referred to a potential savings in health insurance and was considering a presentation to the Unions regarding insurance.

V. ADJOURNMENT

ACTION: Mark Holden moved to adjourn the meeting.
Win Oppel seconded the motion.
A vote was taken with all in favor. Motion carried. The meeting was adjourned at 6:35 p.m.

Respectfully submitted,

Faith B. Hack
Recording Secretary