

**SHELTON BOARD OF EDUCATION
FINANCE COMMITTEE SPECIAL MEETING
NOVEMBER 6, 2013**

Chairman Arlene Liscinsky called the meeting to order at 5:09 p.m.

Pledge of Allegiance

In Attendance: Committee Members: Arlene Liscinsky, Tom Minotti, Win Oppel, and Mark Holden, BOE Chairman.

Absent: Michael Pacowta, Jay Francino-Quinn and Jim Orazietti.

Also in Attendance: Allan Cameron, Director of Finance and Freeman Burr, Superintendent of Schools; Board of Education Member: Kathy Yolish; newly elected Board Members: Kate Kutash and Faith Hack; and Judson Crawford, Board of A&T.

Approval of the Agenda:

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

This meeting was scheduled as the first in the budget making process for the school year 2014-2015. The purpose of this meeting was to review the five-year history of expenditures in the various accounts. The following documents were handed out: Five year History of Budget vs. Expenditures; Summary of Five-Year History by Family; Annual Teacher Salaries by Step and Level; Administrators' Salary Matrix; and Notes to correspond with the Five-year History of Budget vs. Expenditures data.

Mr. Cameron reviewed each of the families. He pointed out the rollover budget and explained that the rollover budget reflects everything that is being done now with the additional cost of doing the same things next year.

Mr. Oppel suggested it would be helpful to review the end of year transfers over the past 3 years to see that dollars are being budgeted to right places. (This information is expected for the next meeting.)

It was mentioned that \$60,000 of Title I money was being withheld to fill a \$60,000 gap in IDEA Special Ed positions that can't be funded. As the budget is developed, money may have to be reallocated to for tutors. Increase in Title I will offset decrease in IDEA. A shortfall in Pay to Participate was discussed.

Mr. Cameron proceeded to discuss the Rollover Budget:

5110 Administrator Salaries—23 Administrators have a contract in place for next year. The item reflects an overall increase of \$65,000.

5111 Teacher Salaries—It is not known how many teachers will be funded by the budget or Grants. This will become evident as the budget process progresses. The 2014-1015 teacher salaries have been budgeted according to their recently agreed upon contract.

5114 Other Payments—Certified Staff—Amounts are paid according to teacher's contract. Pay-to-Participate was intended to cover coach and activity stipends. The budgeted amounts are for stipends that support the curriculum and academics only. The expected shortfall is not funded. The reported expenditures include the Pay-to-Participate reimbursements and are taken out of the total on Page 9.

5121 Substitutes—A review of the 5-year history indicates that this account is underfunded. It usually works out that there is a savings in the salary account from teachers on LOA that offsets these overages. This did not happen last year. Mr. Cameron is recommending funding at the existing level to start with.

5224 Tutors—This account for the first time looks like it is under control as tutor number, hours and salaries have been reduced. Approximately, \$300,000 will be charged to Title I while some tutors will be charged to the IDEA grant.

5112 Classified Staff Salaries—All contracts are not yet negotiated. The rollover budget includes an across the board increase of 3.0%. This may be overstating. The numbers will be revised as the contracts are settled.

5115 Other Payments Classified Staff—This is the overtime account and funding at the existing level was recommended. There are savings in salaries, but OT is being paid for coverage. Money may have to be reallocated.

5122 Temporary Support Staff—These are substitutes for support staff. Funding at the existing level was recommended.

5123 Summer Help—The five-year review indicates funding appears to be adequate.

5124 Part Time Custodians—2012-2013 budget revision appears to be adequate.

5210 Health Insurance—Updated renewal figures are due in late November/early December. Guidance is needed on what to estimate for budgeting purposes. This is the first year of being self-insured; next year the move will be to a high deductible plan combined with HSA for teachers. They are working with IT to set up a Virtual system in MUNIS to track real time activity on a month-to-month basis. It was suggested that if there were an overage, it could be put into an internal service fund for a rainy day.

5220 Social Security/Medicare—This item is a function of payroll and is historically over budget because of savings in Certified payroll (non-social security) and not budgeted for salaries charged to grants.

5230 Retirements—Merit pension relates to Classified Staff payroll. Obligations to retirees need to be costed out. At present they are estimated. There has been an agreement made in principle to explore and early retirement option with teachers. Mr. Oppel feels that a predetermined number has to be established if early retirement is to be considered

5250 Unemployment—Unemployment claims are carefully monitored by the HR Dept. Crisis years are over.

5260 Workers' Compensation—The BOE and the City are working closely. The BOE and the City continue to be self-insured. Carole Pannozzo has been working aggressively to improve the results. She feels that the \$750,000 recommended by the trust may be able to be readjusted downward.

5290 Other Benefits—Recommended funding at the present level although the money is not being spent. The budget reflects the amount in the teachers' contract.

Instructional Materials—Software, Instructional Supplies, Textbooks & Workbooks, Library Books, Periodicals, Testing Materials and Internets Access—The allocation was reduced by 25% in 2012-2013. Adequacy needs to be discussed. The Principals will be involved in that decision.

5322 Program Improvement & Staff Development—The appropriation was increased in 2012-2013 and was not fully expended but a lot remains to be done and sooner or later those dollars will be spent.

5581 Staff Conference and Travel—A minor downward revision may be possible

BOE Support Services—Special Education has been the driver in this area. Outsourcing of professional services leads to over budget situations. Implementation of the Futures Report recommendations has reduced these issues. In 2011-2012 the budget was exceeded by the HR/Payroll project and the transportation project. The 2012-2013 overage occurred because the HR/Payroll project was not yet completed and there were attorney's fees due to negotiations.

Tuition—It may be appropriate to add additional budget as the trend is upward due to the 6 to 6 magnet school.

Transportation—The rates reflected in the rollover budget are as a result of the rates in the new contract. Federal excise tax is supposed to be rebated. It was asked where that money would go.

5591 Telephones—The phone lines serving SHS are being updated. Security may involve additional lines. Recommended continuing existing funding.

5592 Postage—This budget has been tracked closely. Corporate Mailing Service has saved a lot of money and has provided good service. Less mailing is required because of electronic report cards. Reallocating some of this budget may be in order.

5593 Advertising—Reallocating \$7K of this budget may be reallocated because of electronic communication. Advertising for teachers takes place on the web site. They will have to go to bid for cafeteria service.

5594 Printing—Decreasing this family by approximately \$25,000 may be in order because printing of letterhead, registration forms and report cards are no longer outsourced. Payroll advices are electronic.

5598 Other Services--\$5K may be reallocated from this account reducing it to its former level.

5613 Non-instructional supplies—The 5-year history indicates that the existing funding is appropriate.

5810 Dues and Membership—History indicates that this account is underfunded. It is recommended to reallocate from within the family to cover the repeated shortfalls (i.e.: printing and advertising).

5411 Electricity—Needs to be further reviewed.

5412 Natural Gas—To save money a shift was made to natural gas. Because of significantly below budget performance last year, further investigation is needed before reallocating funds.

5413 Water—This account has been over expended for four of the past 5 years. Consideration will need to be made to reallocating funds to this account.

5621 Fuel Oil—This is an extremely volatile account and may require reallocation from potential savings in electricity or natural gas.

Mr. Cameron moved on to summarize:

2014-2015 will present budget challenges. Supporting the existing Certified staff will add \$1,292,000. Expenses for non-Certified staff have not been fully costed out; however, a preliminary estimate is \$225,000. The impact of the changes in the Health Insurance plan is unknown at this time. The bus contract will add approximately \$318,000; other increases approximately \$50,000; for a preliminary total of approximately \$1,881,000 in new money or a 2.9% increase.

Freeman Burr indicated that the cost centers have yet to make their requests. Numbers will be needed for the next meeting regarding AP at SIS and possibly grades 5 and 6. They are looking to expand Virtual High School, which in the long run would save money. Looking to figure out how to move keyboarding to SIS. It is going away at the upper levels.

ACTION: Mr. Minotti moved to adjourn the meeting.
Mr. Holden seconded the motion.
A vote was taken with all in favor. The meeting adjourned at 6:37 p.m.

Respectfully submitted,

Faith Hack
Recording Secretary