

**Call to order:** A regular meeting of the Shelton Board of Education Finance Committee was held on Wednesday, December 12, 2018. The meeting convened at 5:03 p.m., Chairman Thomas Minotti presiding.

**Roll Call:**

**Members in Attendance:** Chairman Thomas Minotti, Anne Gaydos, David Gioiello, Mark Holden, Dr. Darlisa Ritter.

**Members not in Attendance:** Amanda Kilmartin (excused), Jose Goncalves

**Also in Attendance:** Kate Kutash, BOE Member, Kathleen Yolish, BOE Member, Dr. Christopher Clouet, Superintendent, Ed Drapp, Finance Director, John Calhoun, Facilities Manager, Deborah Keller, Shelton Education Association President, Judson Crawford, Shelton Senior Center Commission, Rick Belden , Finance Director Elect ( 5:57 p.m.), Stephen Massad.

**The Pledge of Allegiance was recited.**

**Approval of the Agenda:**

**Mark Holden MOVED to approve the agenda as presented, SECONDED by Anne Gaydos.**

**A vote was taken with all in favor, motion carried.**

**Review and Approval of the Following Reports to the Committee:**

**Approval of the Minutes of the “Regular” Finance Committee meeting, November 14, 2018 (attached):**

**Dr. Darlisa Ritter MOVED to approve the minutes as presented, SECONDED by Anne Gaydos.**

**A vote was taken with all in favor, motion carried.**

**Finance Director’s Report (handout) - Period Ending November 30, 2018**

**1. Financial Report – Budget Narrative**

**a. Revenue Report:**

We are on track to collect the projected revenue anticipated for pay to participate. ECA – RCA transportation revenue is projected to be lower than anticipated. Payments are inconsistent and we need a plan to determine how to move forward with this service. About half of the preschool revenue has been collected to date. The building use projected revenue has been lowered; however we are also spending less on custodial overtime. Parking fees are on target. We have less revenue in gate receipts because there were fewer home football games due to the field being renovated. The anticipated revenue is up for the Excess Cost Grant. However, so are the expenses. The Adult Ed Grant is on target. The magnet school transportation grant is about double what we anticipated. That will help with some of our other transportation costs. Overall, we are in good shape on the revenue side with the normal variances.

The state does make their grant payments on a set schedule. The first installment of the Excess Cost Grant is in February and the second installment is May. Adult Education is paid in March and Magnet School Transportation is paid in two installments; October and May. Kate Kutash asked if there were students enrolled to collect the anticipated revenue from regarding Preschool Tuition. Ed Drapp responded yes. Kathleen Yolish asked how many new applicants for preschool we’ve had after the mailing was sent out. Ed Drapp stated that he would get that information.

**b. Expenditure Report:**

Ed Drapp stated that there are four main areas that we have been watching: 1) long-term substitutes due to approximately forty-one staff leaves, 2) special education tuition, special education

transportation, and 4) special education professional and technical services. We are watching the number of long term substitutes. Other areas are looking good. Certified teachers and certified tutors. We should have some savings there. There should be savings in the support staff salaries. Benefits are pretty much on track. Health insurance is one that is based on usage throughout the year. Instructional supplies are one target. Staff development, people have been very conscientious so we should have some savings there. Special Education Tuition is running about \$500,000 over; and this is after accounting for the reimbursement from the Excess Cost Grant. The number of students coming into the district and qualifying for services has risen. We now have to look for additional savings. There will be a lot of analysis and discussion about these costs going forward. Special Education Transportation is running about \$300,000 over. In November alone we incurred about \$470,000 in special education costs that were previously unidentified. This month has put us in a place where we are going to need to make some adjustments to cover those additional expenses since a deficit is anticipated for the end of the year. Kathleen Yolish asked the Superintendent if we would be open to a partnership with Ansonia if ACES comes and offers enrollment to students in the valley. Superintendent Clouet responded that he is open to partnerships that will help us save money. He has been in touch with the Superintendent of Monroe exploring a possible partnership for an alternative education. Ed Drapp stated that health insurance carries some of our high volatile costs. Kathleen Yolish asked if we are looking into any other options for health insurance. Superintendent Clouet responded that he thinks we should. Kathleen Yolish asked if we would need a reserve. Superintendent Clouet responded that it is a good idea to have a reserve. Ed Drapp stated that we do have some money from the Regular Transportation to help with the overage in the Special Education in transportation. Dr. Darlisa Ritter asked about the outstanding bill from June for propane that the city has refused to pay and what we will do. Superintendent Clouet said that we will have to pay it. However, it is unfair for us to be put in this position. Heat and utilities are being monitored. David Gioiello asked about the letter from the Mayor regarding the electricity usage at the High School and how we are going to address/ investigate it. Ed Drapp stated that we are spending a substantially lower amount than the past 3 years for electrical costs. The building needs a retrofit. David Gioiello asked if our usage has gone down. John Calhoun replied that this year 59% of the days were warmer than the average temperature. Our chiller plant during those first 4 months was running that much more. There's one big reason for our usage being up. David Gioiello stated that we need to lay out an explanation to the city as to why usage is up and the mitigating factors that have caused this. Discussion issued. Ed Drapp stated that Professional & Technical Services are \$70,000 over; we needed to bring on a Behavioral Specialist. If we were to continue on the path that we are on today we are looking at being close to a \$200,000 deficit. We will be taking some steps to eliminate that deficit. Ed Drapp stated that he has included transfers for the year so that everyone can see the transfers and adjustments to further break down where the expenses are occurring. Ed Drapp stated that he would send out the solar energy report in the next week or two.

**Old Business:**

**a. Solar Energy Status Report**

Pending

**b. Duct Cleaning Report**

John Calhoun stated that we have contacted 3 vendors, 2 of them have responded. They are in the process of providing us with quotes. David Gioiello asked if there are technical specifications in which they are bidding on. John Calhoun responded that they've just done a walk through and no formal requirements have been drafted. David Gioiello asked who is defining what is clean. John Calhoun stated that he would look into it. David Gioiello stated that you can't bid a project this large without having technical specifications which all of the contractors have to comply with and have a definition of clean. Discussion ensued. David Gioiello suggested that it be done over the summer. John Calhoun stated that

he would add the technical specifications and that the project wouldn't be done during the school day. David Gioiello stated that adding the technical specifications and qualifications will save us from paying unanticipated costs. David Gioiello stated that this would be a good project to turn over to the city's building committee. It is worthwhile to have an outside firm come in to visually inspect the duct work so we know where the problems are.

**c. Budget Work shop and Other Budget Related Meeting Dates**

Superintendent Clouet and Mark Holden have met and set the dates and shared them with the board. The dates are Jan 9, 16, and 30 at 6:30 p.m.

Kathleen Yolish asked if there could be a breakdown of each school for Support Service Staffing

**New Business:**

**a. 2019-20 Preliminary Budget Outlook & Review**

Ed Drapp stated that we are still meeting with the principals and program directors. There will be more detail provided for the board in this next budget. Software will be detailed as well. Kathleen stated that it would be beneficial to look at the inventory of each school for possible redistribution. Deborah Keller stated that the teachers are being proactive regarding this matter.

Deborah Keller stated that there are teacher concerns about the Window Project and the weather. John Calhoun stated that there is a delay on components and parts. We are looking towards the end of February/ early March. They will be using temporary walls to help with the conservation of energy. The goal is to get another one of the buildings started so that we can address that for the next fiscal year. John Calhoun stated that hopefully by the next meeting he will have the start date.

**b. Maintenance Director's Report**

John Calhoun stated we are in the process of looking into some energy saving measures. We are in the midst of a steam trap analysis in some of our older buildings so that will help us with our saving on propane and natural gas. Once UI gets funded again we will look at electrical projects for savings. We can put LEDs in the buildings like we have done in Sunnyside. Kathleen Yolish stated that she has spoken with John Angles and some of the Board of Alderman members about the ceiling fans asked John Calhoun for the exact number of ceiling fans needed. John Calhoun spoke about an issue at SIS that didn't involve the students, but some of the food service workers. David Gioiello asked for the safety data sheets on the products.

**Superintendent's Commentary:**

Superintendent Clouet stated that on last Friday we sent a letter to the city council asking for more information about the city's bus plan. They received that letter, but we haven't heard anything back yet. We are expecting a response no later than the end of this month. On Monday the accountant from city hall came over and he met with Ed and himself and according to him we owe the city between a million to 2.5 million dollars. This was quite a surprise. We have annualized budgets and this company is the one that does the annual audit. A lot of it appears to be due to how the Excess Cost Grant is recorded. The auditor has claimed that the Excess Cost money is booked as revenue by the city. You can't book it as revenue in the beginning of the year because we only know the formula and not the actual dollar amount to be given to us. We also don't know if we have a need for it or not. Each year we send the city a letter a request for the Excess Cost Grant money detailing why we need it. The Excess Cost money is not part of the ECS funding, but is a separate revenue stream meant for excess costs in Special Education. Today we received a letter about concern for the electricity usage at the high school. Also, the Mayor, a couple of members of his team, including the Finance Director went up to Hartford to talk about outstanding building projects. There's been a change in how building projects have to be closed and approved by a board vote. The actual technical signing off of projects is now the responsibility of the Superintendent. I have taking special training for this. I will be meeting with the city's Finance Director

next week to discuss outstanding projects. It is in all of our interest to get the projects closed so that the city can get their reimbursement. We have to do this the right way. I expect to hear more from the city's accountant regarding their perception of us "owing" money. We have an annualized budget, we don't have reserves, and we don't carry over money and stock it away. That is why accountants audit us every year. The accountant that does our auditing is chosen by the city. This is a surprise that they didn't notice what they are claiming now is a debt. We will have to see more details and facts.

**Chairman Thomas Minotti adjourned the meeting at 6:06 p.m.**

The Board reconvened for the purpose of approving the 2018-2019 Check Register & A/P Cash Disbursements Journal (attached/handout) and Petty Cash Journal

**David Gioiello MOVED to approve the 2018-2019 Check Register & A/P Cash Disbursements Journal (attached/handout) and Petty Cash Journal, SECONDED by Anne Gaydos, A vote was taken with all in favor, motion carried.**

**Chairman Thomas Minotti adjourned the meeting at 6:10 p.m.**