

Call to order: A regular meeting of the Shelton Board of Education Finance Committee was held on Wednesday, May 15, 2019. The meeting convened at 5:00 p.m., Acting Chairperson Anne Gaydos presiding.

Roll Call:

Members in Attendance: Anne Gaydos, David Gioiello, Jose Goncalves, Dr. Darlisa Ritter, Amanda Kilmartin

Members not in Attendance: Mark Holden (excused), Chairman Thomas Minotti (excused).

Also in Attendance: Kate Kutash, BOE Member, Kathleen Yolish, BOE Member, Dr. Christopher Clouet, Superintendent, Rick Belden, Finance Director, John Calhoun, Facilities Manager, Deborah Keller, Shelton Education Association President, Judson Crawford, Shelton Senior Center Commission.

The Pledge of Allegiance was recited.

Approval of the Agenda:

Rick Belden asked to add on the 2019/20 Whitsons' contract renewal under new business.

Jose Goncalves MOVED to approve the agenda as amended, SECONDED by Dr. Darlisa Ritter. A vote was taken with all in favor, motion carried.

Review and Approval of the following reports to the Committee

a. Minutes of the meeting of: Special Finance Committee April 24, 2019 (attached)

Amanda Kilmartin MOVED to approve the minutes, SECONDED by Dr. Darlisa Ritter. A vote was taken with all in favor, motion carried.

b. Finance Director's Report (handout)- Period Ending April 30, 2019

1. Financial Report- Budget Narrative

Rick Belden stated that every month the report gets a little more solid in regard to the year projection.

a. Revenue Report

Rick Belden stated that we are trending in the right direction. The building usage fees have been trending higher so that line item has been adjusted. We have put in a request for the excess cost funds of 2018/19 fiscal year in March, 2019. Around the beginning of June we will formalize the request for the funds to be credited over to the Board of Education. The 2% ECS Grant funds have been delivered to the City's Finance Department. We will be requesting that it be transferred to the Board of Ed's grant funds prior to the year's end so we can allocate about \$119,000 towards that grant. The money came in two payments.

b. Expenditure Report

Rick Belden stated that we are going to have a surplus for this year. The surplus will be \$295.00, that number can still be affected. We had a chance to go through a lot of the line items and do some credits that weren't posted. Things like the retiree payments for health insurance. Also, with the grants we've been able to credit the appropriate lines. Things are still subject to change. One of the areas that will be exposed is May and June health insurance. If we get a big invoice in May or June that could affect our calculations. Mary Barry and Kathy Hudak gave me a year end forecast for salaries and lump sum payments. Dawn Anderson and Tina Coppola looked at the tuition encumbrances and those are all squared away for outplace tuition and things like that. Rick Belden Stated that he is pretty comfortable that most of the line items have accurate year-end assumptions. David Gioiello asked how comfortable is Rick that we are going to collect the rest of the Pay-to-Participate and Adult Education Grant funds. Rick Belden replied, 100% on the Adult Education Grant. The State pays that at the end of May/ beginning of June. Pay-to-Participate still has people paying for spring sports. If we have one area that might not come to fruition that might be it. David Gioiello asked why we are trending higher for Building

Usage Fees. John Calhoun responded that we have been really diligent in making sure that the invoices go out and that everyone pays for the usage. David Gioiello mentioned updating the fee schedule with the Policy Committee. Kathleen Yolish asked about the update of the journal entries. Rick Belden replied that it is something that is normally done throughout the year, but as we are going through the tie in with the town that is how we are seeing some of these things. We've already got a couple of things in place. We have Munis coming in for a two day assessment. The intent is to figure out what the software can do for us that we aren't utilizing and what we are doing that may not be necessary. It will give us a great start to fixing things by July 1st. We want to set up per the auditor's request the trial balances and general ledger accounts in Munis to allow us to do the monthly tie in to the town through Munis. Right now we have Excel spreadsheets and various other things. The information does exist, but this will allow us to have one set of books. From meeting with Paul Hiller and Lynn Piscatelli from a cash flow stand point there are some things that we can do to help out our community. In regard to Whitsons, we would collect the revenue and a couple of times a year we would cut the check to the town. The city is fronting the Board of Education that money. We have a fund set up for paying Whitsons so we will begin paying upfront. Grants we reimburse monthly now instead of once and twice a year. It gives them the ability to invest the money and earn interest on it. Discussion ensued as Rick Belden spoke on the Education Cost Sharing Grant vs. the Excess Cost Grant. Dr. Darlisa Ritter asked if Rick Belden could share the audit report of the Excess Cost Grant. Superintendent Clouet asked if Rick Belden could alert the board members as to the preliminary expectation of how much money in additional ECS money that the city should anticipate receiving this year. Rick Belden stated that for the current year the state at the last minute changed the ECS allocations favorably for most communities. For this current year it should be a little over \$600,000.00 more money than was budgeted for ECS on the town revenues. It goes right to the town and it will fall right to the bottom line. Kathleen Yolish asked if other towns put those funds right into education. Rick Belden responded that this is General Fund revenues. This is what they use to help cover the cost of education. Superintendent Clouet stated that it is true that in some towns when they get additional funds that they may give it back to that town's schools. Rick Belden stated that it is not required, but it does happen and in the past he's seen these funds put into capital projects. Dr. Darlisa Ritter mentioned that is how we received money for the chromebooks. Rick Belden stated that though the City may receive these extra funds, the State is possibly going to charge back the TRB pension costs to local municipalities / BOE. Amanda Kilmartin asked how the report relates to the budget. Rick Belden explained the layout of the report and agreed to add a column for the actual budget. Jose Goncalves asked who was paying for the projects at the High School. Rick Belden replied that the City of Shelton is covering all of the expenses. Jose Goncalves mentioned an article that he read in the newspaper regarding the budget. Discussion ensued. David Gioiello asked about Fairchild Wheeler tuition cost. Rick Belden stated that he was at a meeting yesterday with Sean O'Keefe and he got a packet of information. There was a court appearance that morning where the plaintiffs requested to dismiss the case. However, the case will be moving forward. Superintendent Clouet stated that it will be difficult for them to show any contractual language that indicates that we signed on to pay. This is something that they introduced. Jose Goncalves asked about bussing. Superintendent Clouet stated that the state funds the magnet school. There needs to be a clear transparent model set up for how education funding works in the state. It should be clear and uniformed. We are required to provide transportation for VO-TECH and VO-AG schools. We only pay tuition for the VO-AGS and VO-TECHS are tuition free. Kathleen Yolish asked if we have done any investigation on the machinery school coming to Derby. Superintendent Clouet responded that he's talked to Matthew Conway about it. We can send students there. Now is figuring out the transportation because we have two conflicting schedules. It's not impossible, but a bit complex. We would also have to pay and provide transportation. We might be able to start on a small scale. We would like to explore that.

c. Petty Cash Journal

(No questions or comments)

d. Pre-Purchased Card Journal

(No questions or comments)

Dr. Darlisa Ritter stated that she checked the check register and she pulled several of the invoices. She was really zeroing in on the reimbursement and the mileage because that's what our next policy meeting is going to address. She did find one thing that had been listed twice again for laser engraving. The meeting was with Kathleen Yolish, Catherine Araujo, and herself. They were two different amounts but it was explained. It had to do with the Perkins Grant. Dr. Darlisa Ritter asked if invoices that deal with grants if they can be marked. Rick Belden stated that when we have the Munis assessment he will check if there is a way to set things up so we can have a grant check register. Dr. Darlisa Ritter stated that she checked some of the reimbursements for people going to Boston and Hartford. She found a parent that is being paid a lot of money monthly for private transportation to a Special Ed. school. The total is \$1,381.00 a month. Dr. Darlisa Ritter raised her concerns about the amounts she seen causing us to go over the budget. Rick Belden stated that Special Education reimbursements will show up with Special Ed. transportation. Typically, when we pay reimbursements for travel that's for employee mileage reimbursement and/or trips. In the case just mentioned instead of the parent having us provide transportation they've chosen to do it themselves and that's allowable under the state statues. We reimburse them at the IRS allowable rate. It ends up costing us a lot less money. Some of the other things may also be getting charged to grants. Rick Belden stated that he would take a closer look at those accounts to make sure the projections and allocations are correct.

Old Business:

(No old business)

New Business:

a. Maintenance Director's Report:

John Calhoun stated that this past month he met with the architect down at Sunnyside to discuss some of the issues with the roof still having leaks in it. We gave them some suggestions on what we think may be causing it. They're going to be doing some research on that by going through some of the pre design photos that they have. So we are waiting to hear back from them. We should get that resolved within the next couple of weeks. David Gioiello asked if this would be covered by the warrantee or the architect's insurance coverage. John Calhoun responded that it should be. Anne Gaydos asked how long the warrantee is. John Calhoun responded 20 years. There are no complaints regarding the ESS Window project. They're finishing up the last of the classroom window installs and they're going to be moving to the gym and bathrooms. After that they will go back and begin to install the shades and screens. Rick Belden stated that the key takeaway is that is shows that we can do this while school is open and this way it doesn't constrain us to doing things in the summer time. John Calhoun stated that there is new LED lighting in the High School gymnasium. They're all on sensors so they will go off automatically if the gym is unoccupied. We are starting the boiler/piping installations in the boiler room at the High School and at Sunnyside which will give us some savings on our natural gas. The Mohegan outdoor learning are has been ordered and should be in within the next 3-4 weeks. We will be working with some volunteers on the installation; following the manufacturer's recommendation. Amanda Kilmartin if we are seeing savings with the fuel cell and solar panels. John Calhoun responded that we are seeing savings on the electrical side, but there has been an increase on the natural gas side. We are also reaching out to a couple of consultants to possibly look at the heat production that the fuel cell makes. We may be able to tie that in and do a domestic hot water heating and create savings there. We are seeing some savings with our solar panels. Rick Belden stated that from year to year the utilization doesn't stay exactly the

same. At the High School in particular we have a meeting that we are trying to nail down with the person that did the install just to do an analysis over a 36 month time period. To John's point though the input is on natural gas and we are not getting maximum use of the input. Typically things are done for cogeneration purposes; you get electricity and heating capabilities. Currently we are only getting the electricity part. John stated that when the heat is being generated it's just being dissipated; it's not being captured. Superintendent Clouet stated we talk a lot about having more transparency with the City regarding finances. When plans like this are made the same transparency and communication should be a part of it. When deals are being made to get certain things done it should be clear what the design is, how it benefits the city, & how it benefits us. Sometimes those things don't happen in a clear way and we should make it happen. Kathleen Yolish asked if there is a problem and we need to have part of the roof replaced will they need to take the solar panels off. John Calhoun responded that the solar panels are not mechanically fastened down so they can remove those without doing damage to the roof. Kathleen Yolish asked who would do that. John Calhoun responded that the solar company would and that there would probably be a fee, but that's why they chose the buildings that they did because they both have newer roofs so you wouldn't have to worry about repairs or replacement. Going forward they are gearing up for summer, summer cleaning, and everything that goes along with that. Kathleen Yolish asked about graduation on the field. Superintendent Clouet responded that he had a meeting with Rick Belden and John Calhoun earlier that day with Gary Defilippo and Ben Trabka. We reviewed various types of chairs. We've agreed that we will come to a final conclusion by Friday. Then we will put the plan into action; whether purchasing or renting. David Gioiello asked how much money have we budgeted for graduation and will we be staying within that budget. Superintendent Clouet responded that we do have a budget, but this added expense of \$10,000- \$12,000 is not a part of that budget. Rick Belden stated that we are past the rental window. The chairs we need are not available. Both he and John Calhoun are working on the alternatives for potentially solving this and they are also looking at using the existing sound system instead of renting one. David Gioiello stated that if we buy the chairs we are going to have to find a place to store the chairs. Rick Belden responded that John Calhoun already has a solution. Jose Goncalves asked about the stage. Superintendent Clouet responded that John Calhoun has a plan. David Gioiello asked how we will enforce having no high heels on the field. Superintendent Clouet responded that we've made very clear with all of our communications that has gone out to families that there are certain types of shoes that will not be allowed on the field because it will compromise the field and the warranty etc. The parents will not be walking out onto the field. We are going to have the students march out first and pick up their diplomas in the gymnasium then the parents can exit on the pathway and get together with their students for family photos or anything like that. Kathleen Yolish asked if there are any nearby districts that are purchasing chairs that we may be able to get a discount with. John Calhoun responded that he has not heard of any. He has talked to several districts and they all have their plan. A lot of them own their chairs already, but again they have a different set of circumstances because the chairs that they use are the ones we typically rent because they don't have the same shock pad underneath the field. Kathleen Yolish asked how many chairs would need to be purchased. Superintendent Clouet responded 700. Kathleen Yolish stated that we could always rent them out to other people in the following years and hopefully get some of the money back. John Calhoun stated that if we purchase the chairs we will reduce our annual expenses for rentals going forward. Amanda Kilmartin stated that we need to think about photo opportunities. Dr. Darlisa Ritter stated that there is a nice little fenced in area to the right of the field.

Whitsons' Contract Renewal:

Rick Belden stated that we've been working diligently with Whitsons and each year they have a contract renewal amendment. For 2019/20 Whitsons has agreed to honor the existing agreement. Which means that is a surplus, a very small surplus, but there's no exposure to the board; in terms of if they have a

loss that we would need to pay anything. The only increase there would be, which is allowable, is the management and administrative fee by the CPI percentage and the state is allowing 3% this year. David Gioiello asked if there would be a slight increase in the cost for lunch. Rick Belden responded no. We haven't had a conversation about raising lunch prices. That is something that could possibly be done before the start of school. We are not required to raise our prices. One of the analyses they do each year under the nutrition services standard is the calculation of averages to see if we are charging the appropriate amount. We are within those standards so we do not have to raise prices. In a conversation we had with them they stated that if you raise prices you will see participation go down and they are trying to raise the amount of participation. This is their second year and they have some ideas about what works for our kids in terms of lunch choices and some things they want to do differently. We are having them come to our next board meeting ahead of time and you are going to sample the food that the kids get. They will also be giving a presentation at the meeting about Whitsons, what they've been doing, what they are planning to do, and then we will certainly have this on the agenda for approval at the meeting. David Gioiello asked if their union contract is 3 years with their cafeteria workers. Rick Belden stated that he is unsure of how many years it is for, but the year upcoming is covered by the existing contract. Jose Goncalves asked if the students are happy with the lunch. Superintendent Clouet responded that it varies. Kathleen Yolish stated that it depends on what they are offering for the day. Rick Belden stated that generally speaking it's better than Sodexo. The participation rate has climbed up this year. It's going in the right direction financially. Superintendent Clouet stated that Rick Belden is being very modest and that he did a really good job with Whitsons. Kathleen Yolish stated that Rick Belden has made everything clear and answers questions immediately and she is very appreciative.

Superintendent's Commentary:

Superintendent Clouet stated that we have been invited to a meeting next Thursday. I had understood it to be a part 2 to our Budget Presentation. When we did our original presentation with the Board of Aldermen and the Board of Apportionment and Taxation, there was a feeling on part of some members of the Board of Aldermen that they wanted to ask more questions. I'm not sure why that is the case because we could've stayed later if they wanted to ask more questions. Maybe they weren't prepared to ask the questions. They asked if would come to a second meeting that night and we said of course we would. Then time passed and I contacted John Anglace and said I remember your request and do you have any dates in mind. He sent me an email saying Thursday a meeting of the full board, both boards on the 23rd. I emailed him back and asked what the format would be. Would it be a presentation, would it be a dialogue, would members of the Board of Aldermen submit questions in advance so we could work on them and have the information? The answer was no, it would just be members of the Board of Aldermen asking us questions. That's a little less satisfying than an actual dialogue. Today posted on the city website it indicated that the Board of Aldermen will be voting on the budget Thursday. We will go to a meeting where I thought there would be some discussion/ dialogue and that they would take it into consideration and vote on a later date. Dr. Darlisa Ritter asked if there was a date they needed to have it by. Kathleen Yolish responded that they need to have it by the end of May. Dr. Darlisa Ritter asked if the meeting was open to the public. David Gioiello replied that they will be able to attend, but not to speak. David Gioiello stated that what this meeting will do though is give us the opportunity when they challenge our numbers to justify the number back to them. If they ignore what we say, then they ignore what we say. We can't force them to listen. At least it's a dialogue. All nine of us have the opportunity to respond to the questions. What I would expect is that they will do a line item discussion. Superintendent Clouet stated what is the vision for Shelton? One of the parents said that the other night at the meeting. Is it to chase out young families with kids and have a retirement community with a corporate park? I personally don't believe that is a healthy community. David Gioiello stated that if you look at our consultants who did the redistricting, that's what the numbers show. There is a growing

group in the 20-30 age groups, but they aren't necessarily couples that are producing children. The other major group that's growing is 55 and over. Superintendent Clouet stated that there is no question that the north east is changing drastically and that the population of younger people is shrinking and older people is growing. My question back to them is are we going to accelerate that. There are some people who believe that children are a drain on resources. Kathleen Yolish stated that the same can be said about seniors. David Gioiello stated that property tax of homes with students in the family doesn't cover the cost of education. Superintendent Clouet replied that that has been a fact for a long time though it may have been on a different scale. Kathleen Yolish stated that she heard a few comments to the fact that people with young families will move to Shelton because of low taxes, but will send their children to private schools. Anne Gaydos replied that it would be cheaper to live somewhere else once factoring in the cost of tuition. Kathleen Yolish stated that parents seem to be very happy with elementary schools, but then for the upper grades they choose to send their children to private schools; and that's their choice. Deborah Keller stated that come Thursday there is going to be a vote and asked how much time after that Superintendent Clouet will be able to let her know what the cuts are going to be. Superintendent Clouet responded, to do it well and bring it to the board, it will take at least a couple of weeks. Deborah Keller asked will it be in June. Superintendent Clouet responded that it could probably be done by then, but if for budgetary reasons they could stretch it on; but it's not good for teachers. Dr. Darlisa Ritter asked if the Board Members will have options for what can be cut. Superintendent Clouet responded that it will be a discussion. Deborah Keller asked if he would hold on salary agreements. Superintendent Clouet responded that he wouldn't want to start the negotiations right now. We will look at some options and then we will invite you (Deborah Keller) into the room for us to talk about the available options; including certifications, class sizes, and etc. Deborah Keller stated that she doesn't want to see teachers get salary agreements and then be told shortly after that they have been laid off. Superintendent Clouet stated that typically there is a calendar of when we give teachers their assignments for the next year which includes a contract. We might have a special board meeting before the end of June to talk about what some of the options are. Amanda Kilmartin stated that she's heard that we aren't really flat funded and what is our response to that. Rick Belden stated to him flat funding means that you got \$72,700,000 in one year and got \$72,700,000 in another year. We don't have a million dollars in savings. There is a reduction in our budget to \$3,150,000 for transportation; that's what the town said that they will do to provide it. The difference is a little over a million dollars on that particular line item. We've just moved that down to textbooks and technology. If we don't get the money we will be unable to do certain things. The million dollars will allow us to restore areas that haven't been fully funded. Jose Goncalves asked for a projected number of teacher layoffs. Superintendent Clouet replied that it's well north of 14. Amanda Kilmartin asked about health insurance savings. Superintendent Clouet replied that we won't know what the experience will be for next year; there's some potential savings. Rick Belden stated that we are self-insured and we will see some limited savings on the fixed cost. Discussion ensued regarding the new insurance plan. Superintendent Clouet stated that every year that he's been here there's been a reduction in the amount of teachers and administrators in this district. Jose Goncalves asked how much do we spend per child. Rick Belden stated approximately \$14,000 and we are in the bottom 3rd. Superintendent Clouet stated that he wants us to get in the top 25% of school districts in the state. We have the capacity to do it. We have the teaching staff that can do it and the students can do it. We need to have it aligned and organized with a support system in place. Superintendent Clouet spoke about comments from students at the student voice meeting.

Adjourn

Acting Chairperson Anne Gaydos Adjourned the meeting at 6:32 p.m.

**Respectfully Submitted,
Anita Smith
Recording Secretary
05.22.2019**