

BOARD OF APPORTIONMENT & TAXATION
SHELTON, CONNECTICUT
BUDGET HEARING MEETING MINTUES

APRIL 6, 2016

Call to Order / Pledge of Allegiance

Cris Balamaci, Chairperson of Board of Apportionment and Taxation, called the Budget Hearing meeting to order at approximately 7:00 p.m. All those present recited the Pledge of

Allegiance

Roll Call

Board of Apportionment and Taxation

Cris Balamaci, Chairperson- Present
Karen Battistelli, Vice Chairperson- Present
John Belden- Present
Joe Knapik-Present
Adam Heller- Present
Louis Dagostine- Present

Board of Aldermen

John Anglace, President- Present
Eric McPherson, Vice President- Present
Jack Finn- Present
Lynne Farrell- Present
Jim Capra – Present
Noreen McGorty- Present
Anthony Simonetti- Present

4100 Board of Education

Department Requested \$71,117,230; Mayor recommends \$70,470,000

Superintendent Dr. Chris Clouet, Finance Director, Dominic Barone and Chairman of the Board of Education, Mark Holden represented the budget for the Shelton Board of Education.

Chairman, Mark Holden, presented an opening statement in regards to the 2016-2017 Board of Education budget:

Mark Holden: First, I would like to thank the Board of Aldermen for establishing a reserve fund for the self-insured medical plan that the City and the Board of Education uses. This relieved Board of Education members personal liability for the solvency of our medical plan, and allows us to continue to getting the most “bang for the buck” for taxpayers. When we work together, the students and taxpayers all benefit. At the request of several Aldermen, I directed Superintendent Burr to use a zero-base budget approach, so every department had to justify every expense. At the start of our budget deliberations, I charged the Board of Education to develop a budget request that would meet the needs of our students, and wouldn't require a tax increase. A third of the way into our budget development, our new Superintendent, Dr. Clouet, took over, and brought fresh eyes and fresh ideas. He challenged department heads to find ways to accomplish ways more efficiently. The Board, Superintendent, and Staff worked diligently to prepare a budget request with the lowest increase in many years. It addresses growing needs in Special Education, English language learners, increasing support for students having emotional difficulty, and increases the hours our media centers will be available to our students. Since our budget request was prepared, current events have caused us to work in additional directions to address the rising problem of substance abuse, and we are continuing to look at new ways to help students learn self-regulation, so that they can have more time as engaged learners, and grow up to be happy, productive, successful members of society. We believe the Mayor [Lauretti's] budget proposal for our department is fair, and will allow us to accomplish the goals the Board [of Education] set as part of our budget process. The Mayor [Lauretti's] proposed budget is good for education, and I ask you to support it.

Superintendent Clouet: I would like to begin to make sure that everyone recognizes that we, as a school district, are governed not just by laws and regulations, which of course is true, but also by a vision. And, I'm not going to read it to you, but we have a vision. We have a mission, there are core beliefs, and they have been developed over time by members of the staff, teachers and administrators, parents, as well as Board of Education members, and I just put this up here as a guiding set of beliefs for you to see how our work goes. So, our budget request is a 2.3% increase budget-to-budget over last year, and as you can see, really focusing mainly on special needs. Special needs define differently than just students with IEP's or classified with students with special education needs. They, of course have special needs. But, there are other students that need special needs, as well, including those who are English language learners, which is a growing population of our school district, of our City, of our region, and of our nation. Special needs, traditionally, is associated with special education, and that is a very, very important part of our work. But

again, in addition to that, we want to make sure that we are providing the free, and appropriate public education that is required by law for all students. So, defining special needs, in this case I am looking at special education students, we get a sense of some of the numbers, and I am going to just go through this quickly, and we can go back and answer any questions at any time. As you can see, the numbers are stable, but growing, in terms of those who are outplaced. And that is a big portion of our budget, which we will talk about in detail tonight. In addition, we want to make clear that, although special education is a big piece of our budget, it is not something that is a one way ticket. Kids can be classified as in need of special education services, they can receive those services, and they can exit, and many do. I just wanted to make that clear, because there can be a misconception that if you are labeled as a student in special education, that's it. And, that's not the case. Also, looking at the issue of language diversity, we have now over 250 Shelton students who are English language learners, and that's defined by testing. As you see, language groups, in addition to Spanish, Portuguese, Polish have dozens of speakers in our district right now. In addition, there are many languages, but there is a sizeable group of Arabic, as well as Albanian and Urdu speakers, among others. Teaching ELL students is not the same as teaching students whom speak English at home; it requires special training, and that's what we've asked for as part of our budget request, that we get the funding in order to support that. Technology, we do a lot with technology, it's part of the 21st century, there is no question about it. We are part of our work, as evidence in the core beliefs, indicate that we are preparing our students for what is now well into the 21st century, and we need to make sure we are preparing our students to go out in their work and into university life, and the military, what have you, fully understanding how to use technology. They are not toys; they are tools. And we have a very good department; we will get into it later, which really makes an effort to be sure we are spending the money in a prudent manner. And, I hope you will see that, as a result of our concept of balance, we are looking at the low cost, low tax environment of Shelton, which is part of what makes Shelton so successful, and balancing the needs of our students and the burdens that taxpayers confront. So, we took that into consideration when we proposed to you what is one of the lowest requests in terms of percentage in many years. And, I tell you that we're absolutely committed to prudent management of the resources that we receive; both from taxpayers and from other sources, as well. So, students that we service, you will see the students that are enrolled; you often will hear the number 4,900, and that is accurate. But, we are responsible for many more students, and we are responsible financially, and you can see the number to the right. Special education numbers, as you can see, the percentage of enrollment has been going up. This is not just a Shelton trend; this is a trend throughout the country. These are very important issues that children face, and we operate under the concept of they are all of our children, Every child that enters our schools are our children, and I think you, as community leaders, would agree with that, that we need to serve all of our children to the best of our ability. And that means with special programming, when needed, and it is needed more than ever. If you take a look at out of district, so we do send some of our children with special needs out of district, and you can see this right there; the cost of tuition, transportation,

purchase services. Those are special services that might be needed at an out placement. But, you can see the number at the bottom right column. It's a big number. And then, parents place students out as well. The world that we live in has changed considerably since the 1950's, 60's 70's, etc. It is very different now. There are many choices and many different kinds of schools. While everyone has heard of magnet and charter schools. In fact, there are many different kind of magnet schools. And, then we have the rest. And, the rest in this case, it's the regional education service center. There are 6 in the state. Ours, as you know, is CES, which is based in Trumbull (Cooperative Education Services). But, the rest, as we call them, operate schools and programs, and we send many students to them, as you can see. You can see the list here, and again I will not read them. But, we are responsible for tuition, transportation, or both, as well as some other services; it adds up to quite a bit, as you can see. And, our budget request is a response to the needs that the way we did it, is over a period of time, we worked with principals, who work with their staff members, to develop step-by-step, student-by-student, classroom-by-classroom, learning space-by-learning space, the needs that they felt were required to meet the needs of the district. We, with the Board [of Education] looked at that, and actually had a live calculator as we went through it, so we sat at a table like this with our budget request from different schools and different programs up on the screen, and looked at what it would look like if we moved this, and we added that. What would this look like if we cut this, etc. So, it was live, and it was very participatory, and so people really had a sense of what we asked for. So, when we boiled it down, and cut it down to, what I said earlier, was the lowest net increase in many years, this is what we are proposing in term of new staff members. That was, as a result of a lot of work and a lot of deep thinking about what we need, and what we can do without. So, this is what we need. I think you are all familiar with TESOL, the second row there, the teachers that teach English language learners, that special training they get. Most of these are pretty straight forward in what they are and the need. But, we definitely facing a need, and all you who have children in the school district, or who have neighbors with children in the school district, you know, and you hear about the needs we are facing; they are real, and we are not being melodramatic. That is not my nature, nor is it the nature of our team. But, we have some real needs and we need to adhere to those needs. And, that is for everyone's good; it is good for the children in need, for their classmates, so that we have a more focused and more conducive environment for learning. The recommendation summary, I am going to ask Dominic Barone, our Finance Director, to walk you through that, and then we will answer questions.

Dominic Barone: Ok, I'm going to walk through the budget, and there's two components; a summary, which is high-level, and then there is a break down to another layer. This, I believe is in section 2 of the budget. The more detailed piece was in section 1. You will be able to tie them out, because I cut and pasted the slide. This is the high level view at the budget. I just bring it up here to show you. We look at things in a lot of different ways. We call these the families. The teachers and administrators is 1 family, the total employee benefits is another family. In the accounting world, it would be called a major object. We picked up the term family a long time ago. This is the first cut of the operating budget. So,

drilling into it, I'm going to go by family. The compensation and benefits, this is obviously the biggest part of the budget. We are a service industry, so this is going to be the biggest piece. Teachers and administrators is the first group, which also includes temporary certified and temporary certified tutors. That's driven really by our classroom needs. The classified salaries are the support staff, which is also driven significantly by the classroom needs. The employee benefits piece, a lot is driven by up above it. So, obviously if we have a lot of employees then we have medical insurance, some of those employees pay social security, Medicare, some only pay Medicare, a handful don't pay either. The unemployment compensation, we need to take an estimate because we always seem to pay it every year, but we try to keep it under control. The worker's compensation, that's actually charged to us through the Worker's Compensation Trust through the City. And, that's more of a paper entry. We're not necessarily writing checks, but we are being charged an amount of past balances and current claims. Can I take questions at this or wait until the end?

Chairperson Balamaci: We can break it up, but if we do the Board of Apportionment and Taxation should ask first, and then The Board of Alderman should follow.

Dominic Barone: So, do we want to ask and then move on to the next slide or just wait until we go through all the slides?

Chairperson Balamaci: I don't have a preference.

Dominic Barone: Ok, so that is Compensation Benefits. Moving down to Instruction and Improvement Intuition, we have 3 major families here. The Instructional Supplies are somewhat self-explanatory. Instructional Software, Teaching Supplies are anything we use in the classrooms. Textbooks, and library books, periodicals and miscellaneous testing materials. The second group is the Program Improvement/Staff Development. That's really training, conferences, work on things either within the district or other districts, or nationwide, or however they may play out to keep up with what's going on in education and maintain the requirements we need to. The last group is the Tuition, which are tuitions typically paid to private institutions, and the others that we talked about earlier. The last item, Adult Education, that is the amount we pay to the Valley Regional Adult Education that we pay out of our budget to help them. They operate independently, but I know the City also helps them out, I know the City processes the payroll for them [Adult Education], they process the A/P on our system, in addition to the State we help fund them. We are the biggest provider by far for them. The next slide, Transportation, Administration Costs, and Heat and Utilities, transportation, the regular education and special education, a significant piece of that goes for our provider, Landmark, basically local transportation. We also have specialized transportation for certain students who require it. The athletic transportation is to take the sports teams around. We have around 29 teams between the High School and SIS, mostly the high school, but there is a couple at SIS, so that's what comes out of that line. The field trips are a variety of things. And then, the bus fuel, which is the propane for the fuel. Administrative Costs are telephone costs, which is about \$50,000 for land lines, \$25,000 for cell phones, and some security communication costs are in that line. The WAN

is a fixed cost, we pay a monthly. We went out to bid, and we think that number is where it is going to be. There are some concerns in future years that it may go up because of what the State is doing, but we are not planning it for next years. Dues and Memberships, we belong to certain associations, and they have dues. Utilities and Heat, are the main electricity, natural gas/propane, and water/heating fuel. The electricity has been locked in a rate, and we think the consumption should stay somewhat stable, and should save some because of the solar panels on a few schools. We are also working with a company to possibly put a fuel cell in the High School, but it may or not impact this budget, depending on the timing. The propane, last year, we switched 4 of the Elementary Schools, we converted so they can either run oil or propane, so a lot of budget dollars went from heating fuel to propane. We have some money in the heating fuel line as a back up. As an example, this year, we had a problem with a burner, so we had to shut off gas for a few weeks and had to burn oil. We also have to top off the tanks. The last group is Building and Equipment Services, the Board of Education Support Services, and Regular Equipment. Building and equipment services, the equipment and repairs is basically maintaining both the plant and equipment, whether it's printers or other items within the schools. Building repairs is really the bigger stuff related to schools, whether it is HVAC, electrical, those type of things. Purchase Services, we have historically under budgeted that account, so we are trying to get it right, that is why you see quite an increase. Right now, we have software support maintenance contracts, copiers/copier rentals, which is a service contract, which is broken down between usage and how many pages are printed, and services related to schools like the fire alarm company, pest Inspection Company, those type of things. And then, the equipment rental to fix things and then custodial maintenance supplies, such as strippers, waxes, and chemicals. The Board of Education support services, the pupil services is when we periodically need to do special things for the kids, our professional technical services is a lot of the special education evaluations done and other professional services we might use. The liability insurance is related to the sports and field trips. That, it doubled because that has been going up for the past couple years. We had a couple bad playing years, and it has skyrocketed. We hope it has leveled off, and come down. Then, our equipment is basic, replacement equipment, new equipment, whether we need technology, sports equipment, we need goals, those type of things. That's where we budgeted \$180,000 between those categories. Quite honestly, it may shake out a little differently, but we think the number is right, we may end up replacing more than buying new equipment. That is something we have to deal with as we go along. That is the high level overview of how we break our budget out. I think at this point we can take questions.

Louis Dagostine: Thank you. A few questions, first about School Security upgrades, I know the 3 elementary schools are set, and going out to bid. Is funding in place, I didn't notice it in the document.

Dominic Barone: The bids are in. That is a State fund for the fortification project. The local piece is on the City side.

Louis Dagostine: When can you anticipate the Security upgrades to be put into place?

Superintendent Clouet: Over the summer it is planned, so they will be in place for school next year.

Dominic Barone: Yes, so the bids came in, I believe last Thursday, and the next step would be the PIBC would recommend a bidder, and I think it goes to the Alderman or the Mayor for approval.

President Anglace: The bid is awarded, not approved. Did you go out to bid?

Dominic Barone: No, PIBC did.

President Anglace: So, they will award the bid.

Louis Dagostine: Next question is that one of the criticisms I hear about the Board of Education is that, enrollment is down and spending is up. Spending is up again this year. Can you explain why spending continues to increase while student enrollment goes down?

Mark Holden: One of the things to bear in mind is that you cannot go entirely by the CPI when figuring out the cost of things. What we do as a Board of Education has increased over the years. If you look at the difference of the CPI between 1991, when the Mayor [Lauretti] took office, and today, it's a factor of 1.74, so something that cost \$1.00 now is \$1.74 today. But that doesn't tell the whole picture, because in 1991, if you walked into a school and saw a computer, odds are that you were in a principal's office or a special computer class in the High School, where there was 1 computer and kids would have to take turns using it. Today, you have to have enough computers so that all of our students can take the SBAC test in a limited period of time. They need to use computers on a daily basis because when they leave school and go into the real world, odds are pretty good their jobs is going to require them to have knowledge on how to use a computer. Now, another thing to consider is if you take a look at comparing 1991 with today, in 1991 the highest number for the DJIA peak was 3,169. Today, it hovers in the general range of 17,600. That is an increase of 555%. The world of education is very different compared to that time, and we have more students who need special education, and in our chart, we show that in about a 10 year we saw a 50% increase in the number of increased who was special education. We didn't have that many magnet school, or charter schools back then. And, those are schools that, often times, we're paying tuition and paying for busing, and they don't count in our census, but we are paying the bill. Does that answer your question?

Louis Dagostine: Yes, just one final question. The audit came out, and gave back about \$500,000 to the City. Can you explain why there was a surplus last year?

Dominic Barone: Sure, as you know, the City chooses an operation called Smith Brothers, that works with us to try helping predict healthcare costs, so they are experts, they are people that use actuarial expertise to help design and plan with us, and with the City, as you

know. A number that they think is appropriate with their healthcare needs. And, it is a projection, as you know. You never know what is going to happen, but they base it on trends and our experiences. Last year, fortunately, the Board of Education, as well as many departments in the City had good experiences.

Adam Heller inquired about technology, and that the Board of Education has an aged technology infrastructure. He inquired if there was a technology plan in place to keep up with the times.

Dominic Barone stated that they are in the beginning cycle of new strategic planning in the entire district, which will include a technology plan. The idea is to build a plan with the City without it coming out of the Operation Budget. His interest is to build a long-term plan.

Joe Knapik inquired with Superintendent Clouet, and stated that in the past sessions there has been a conflict with the Board of Education and City budget, and it didn't seem so evident this year during the budget process. He inquired if Superintendent Clouet could comment on the difference in this year, as opposed to past years.

Superintendent Clouet stated that it would be hard to comment and compare his tone and the tone of the Board [of Education] now as opposed to the past, but he is aware of past situations. He understands this is a low cost, low tax environment, and he is committed to getting things done and he can work with that.

Cris Balamaci asked Superintendent Clouet how he was going to cover the approximately \$640,000 difference between the Department request and the Mayor's recommended amount.

Superintendent Clouet stated that he hopes that they will continue to work with the Mayor over the cost of propane. Also, he would look for cost savings in other areas. He feels that they have the staff they need, so he would not like it to be on the labor side.

Jack Finn stated that Adult Education was in a deficit, and money was returned. He inquired why the money that was returned was not used to clear the deficit.

Dominic Barone stated that Adult Education is a separate entity that works independently. The Board of Education gives them an allocation, and they spend it accordingly. He believes that it is in between the City and Board of Education, but they are independent. They are also mostly grant funded.

Jack Finn also asked about the Summer School Program, which also has a deficit. He inquired how the deficit is going to be covered, and why the money returned was not used for that.

Dominic Barone stated that there are 2 components to that. There is a component in the budget, and there is another Special Education piece that is in their operating budget, and

then there is the General lead piece that they try to self-fund. They will clear up the deficit from savings this year.

Jim Capra asked about medical insurance and the savings that will be had this year, and would like an explanation of why money was also given back last year.

Dominic Barone stated that they are basing it on experience. This is the third year of being self-insured, so they are now getting a good feel on what costs will probably be like.

John Anglace stated that technology is a cycle, and you just don't put it in and walk away. He stated that there was a technology plan, and what made it work for 12 years is that there were people on both sides (Board of Education and City) who were able to work together, understand the problems, and promote the issue to get proper funding when needed. There has been a tremendous gap since that Committee ceased to operate and today.

-Further discussion on tape in City Clerk's office

Respectfully Submitted,

Nicholas Twigg

Nicholas Twigg

Clerk

1 tape on file in City Clerk's office