Call to order: A regular meeting of the Shelton Board of Education Finance Committee was held on January 18, 2017. The meeting convened at 5:02 pm. Chairman Win Oppel presiding.

Roll Call:
Members in Attendance:

Guests in Attendance:
Kate Kutash, Board of Education Member; Kathleen Yolish, Board of Education Member; Dominic Barone, Director of Finance; Christopher Clouet, Superintendent; Deborah Keller, President, Shelton Education Association; Judson Crawford, Shelton Senior Center Commission; Carol Pannozzo, Director of Human Resources; Daniel Divito, Director of I.T.

Excused: David Gioiello and John Calhoun.

The Pledge of Allegiance was recited.

Approval of Agenda:
Tom Minotti MOVED to approve the agenda, SECONDED by Kathleen Yolish. A vote was taken with all in favor, motion carried.

Approval of Minutes: Darlisa Ritter MOVED to approve the Minutes from the Special Finance Committee Meeting from December 14, 2016, SECONDED by Mark Holden. A vote was taken with all in favor, motion carried.

Year-to-Date Object Summary:
Dominic Barone stated most of the items are tracking very well. The concerns are the Special Education Tuition and the Private Transportation costs. They have experienced an influx of Out of District placements and that continues to put pressure on the budget. The Insurance through December has been tracking about the same as last year. Win Oppel suggested that they need to get a handle on some of the numbers, including how many special education students do we transport, and how much we pay in total for the transportation. Win Oppel believes going forward this could be a bigger problem, so he would like these numbers to be looked into to see if there is a way to reduce these costs. Dominic Barone will do a breakdown between Landmark and other vendors, for those special education students with private transportation. Christopher Clouet stated that they may have to spend more elsewhere in order to lower the cost of the transportation. A question was raised about bringing the transportation in-house, or possibly sharing buses with other districts.

Mark Holden MOVED to approve the L2 for 2016-2017 School Year through December, SECONDED by Faith Hack. A vote was taken with all in favor, motioned carried.

Faith Hack MOVED to approve the Check Register and A/P Cash Disbursements Journal, SECONDED by Darlisa Ritter. A vote was taken with all in favor, motion carried.

Old Business

Finance Update:
Cafeteria: A meeting was held with Sodexho. There is a possibility they may amend the contract to increase the amount to help subsidize the deficit by another $30,000. The Board has let Sodexo know
they are considering looking into other vendors. Win Oppel asked what the coverage will be, Dominic stated the coverage will be $105,000.

Athletic Account: Information listed on the L2 narrative.

Student Parking Fees: Information listed on the L2 narrative.

Report on Facilities Projects: A hand-out was given. Dominic Barone stated the Perry Hill Close-out was complete, and the city received a close-out payment of 5.45 million dollars last month. The next step is to have the State do the close-out audit. Dominic Barone also put in for reimbursement for the Sunnyside roof project for Phase 1, and that payment is expected in March. Faith Hack asked about Phase 2 of this project, Dominic stated that the plan is to bid Phase 2 in March. That is based on the architect’s recommendation. Win Oppel asked about the Long Hill Solar project. Dominic stated the electricians were at Long Hill on Wednesday, January 18th. John Calhoun sent an email the previous day explaining their displeasure with the project.

Faith Hack MOVED to go into Executive Session at 5:45 pm., for the purposes of discussing a Voluntary Retirement Incentive Plan (VRIP), SECONDED by Darlisa Ritter. A vote was taken with all in favor, motion carried.

Carol Pannozzo was also included in this Executive Session.

Darlisa Ritter MOVED to come out of Executive Session at 6:00 pm., SECONDED by Tom Minotti. A vote was taken with all in favor, motion carried.

Win Oppel stated that no votes or actions were taken during the Executive Session.

New Business

Budget Discussion:
A hand-out was distributed. Dr. Clouet stated what they were going to go through tonight is going to recap the discussions that they have had thus far in the process, and then they will look to the Board to give them some indication about what kind of parameters they would like them to use as we build some scenarios prior to the next meeting. Dr. Clouet mentioned what type of scenarios they would discuss (such as specific increases). Dr. Clouet also added that the handout does not include $350,000 to be paid to Bridgeport Magnet Schools. They are currently working with a number of legislatures to see if that can somehow be rescinded. Win Oppel asked what the penalty was for non-payment. Dr. Clouet stated that it is very unclear. It is clear that the District has the right, according to the legislative language, to charge. It is not clear, however, that we have an obligation to pay. This is being looked into. Dr. Clouet has spoken to several people to see what the language of what the potential bill is to deflec this might look like in the current legislative session. Dr. Clouet will keep the Board updated. Deborah Keller asked in the event if they decided to offer the teachers early retirement incentive, does that help with the budget, that people in the upper level will not be paid their salary. Dr. Clouet stated that if they were to move forward with the Retirement Incentive that there would be some cost savings to the district, which would be a help for the budget. Dr. Clouet stated that the hand-out given by Dominic Barone is not a budget request, but an example of what it might look like.

Dominic Barone stated this example includes any expected or other contractual obligations. Kathleen Yolish asked if they are looking into, as far as staffing, being able to condense some classes that might have less students. Dr. Clouet stated the simplest answer is yes. An analysis was done of all of the classes in the district and looked at the numbers. Some of them bare a second and third look as well.
Dr. Clouet stated they are anticipating a difficult budget year and we are anticipating that some of these changes may have to take place. Dr. Clouet has stressed with all of the political leaders he has spoken that we have a strong commitment to wanting to move the district into the upper quartile districts in the state. By that he means, we are in the 3rd quartile now, and we are close to moving into the top quartile. Win Oppel asked if that is a student per dollar funding. Mark Holden and Dr. Clouet stated that is a student achievement. Dr. Clouet mentioned that because we are currently 162 out of the 166 in per pupil expenditures. Dr. Clouet is suggesting is that we move, together with our partners on the Board of Alderman, closer to the medium. Arlene Liscinsky sent Dr. Clouet some of the budget projections for some of the other districts to take a look at, stating also it is difficult to compare the different budgets. Arlene Liscinsky stated that there are some districts where their nursing and medical costs comes from that specific town side, stating that would make a big difference in terms of what cost is per student in the district. Win Oppel stated that under the theory given by Arlene Liscinsky, we should look into our Healthcare through the state, or at least examining what the cost would be. Win Oppel asked Dominic to look into this and to get an estimate.

Dr. Clouet suggested that they discuss the issue of our projections for health insurance costs. Dominic Barone went over the hand-out. The first page, the Initial Estimate Summary, is just an estimate of everything pulled together. Mark Holden asked if this estimate has any of the requests from the schools or departments. Dominic Barone stated no, it does not. The 2nd page estimates wages/benefits. Dominic Barone stated that the first group, which is the Administrators/Teachers, is based on either the contractual obligation or the estimated contractual obligation, meaning we don’t have a contact yet with the teachers. The temporary support by subs number is based on our actual costs. We end up in the $900,000 range, so that is why Dominic believes we need to increase that, so we don’t have a deficit there. The Support Staff includes all our non-certified staff (paras, secretaries, custodial staff). These numbers are based on the contractual obligations. Dominic stated that the medical insurance is based on the estimated premium by employee. He will re-visit this number in May or June to see where this year will end up, because we are only half way into the year. The Social Security and Medicare is basically driven by our non-certified staff. The Pension/Retirement/Post Employment may require more money if the VRIP is offered and accepted. Dominic is hoping the Worker’s Compensation account can be reduced a little. A meeting to discuss this will hopefully occur this month. Carol Pannozzo stated the rep has been on a leave of absence, so they are just waiting for him to return. It was asked if there were a lot of outstanding cases. Carol Pannozzo stated that there are two very costly cases left to settle. Dominic went over the Instructional materials. He stated that there may be a reduction with the supplies and workbooks, and that is based on the pressure on the budget from other line items. The Program Improvement and Development account with stay flat. The Tuition accounts are one of the big areas. The Private Tuition budget has been increased. Our numbers are up this year, and Dominic doesn’t believe it will go down. Dr. Clouet stated that last year they received an allocation from the city that was an increase of approximately $1,000,000. Dr. Clouet stated that we are on a trajectory now to spend more than $1,000,000 in unanticipated costs. Mark Holden asked if it should be discussed about the contract with Landmark. Dr. Clouet stated they would have to go into Executive Session if they were going to discuss that. Dominic stated there are most likely no changes to the Administrative accounts. There is a potential for the internet access to increase because this is the first year that the State charged for internet access. Dominic expects to have some savings in Utilities with the Fuel Cell at the high school. He does see the projection for Electricity is going to go up. Win Oppel asked when was the last time they bid on the Electricity. Dominic stated they are locked into through December 2017 and the plan is to bid in March 2017.
Dominic stated they are just trying to hold the line as far as the Building & Repairs/Support Services/Equipment accounts are concerned. Arlene Liscinsky suggested the gasoline account be bumped up, consider the fact that the price of gasoline is rising. Arlene also suggested bumping the amount for Building Repairs/Maintenance, due to Capitol repair items. They are trying to keep the Support Services accounts stable. There has been a spike in Professional Services. There are some contractual items that are required for the students, so that is putting some pressure on the budget. One of the scenarios brought up would be what would a “zero” look like with the budget. Win thinks this is something that should be looked at. Win Oppel stated some of this goes back to the point of Special Education Transportation. A discussion was brought up regarding families wanting to move into Shelton because of the education a special education child would receive. Win Oppel stated that the cost of educating a regular student compared to the cost of educating a special education student has gotten so wide.

Dr. Clouet stated that at the next meeting, examples of different scenarios for the budget will be discussed. Win Oppel didn’t think that a week would be enough time, but suggested trying to get some preliminary numbers regarding the Special Education transportation. Win also suggested to have a preliminary cost of going with the State for health insurance.

Dominic stated that this budget estimate will be re-fined and get some more information. The next Regular Finance Committee meeting for February will be moved to the evening of the Board of Education Meeting, February 22nd. The budget is targeted to be done February 10th. Dominic will send out an email stating the changes with the February meeting.

Win Oppel adjourned the meeting at 6:50 pm.

Respectfully Submitted,

Cheryl Rich
Recording Secretary
January 22, 2017