

**MINUTES OF BOARD OF EDUCATION FINANCE COMMITTEE OF THE WHOLE  
MEETING HELD JANUARY 14, 2020 AT 7:00 P.M. AT DODD MIDDLE SCHOOL**

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Board Members Present: Anthony Perugini-Chair; Adam Grippo-Vice Chair; Kathryn Hallen-Secretary; Faith Ham (arr. 7:15), Andrew Martelli, Timothy White (arr. 7:05)

Board Members Absent: Anne Harrigan

Administrators Present: Jeffrey F. Solan, Superintendent of Schools, Marlene Silano Assistant Superintendent of Schools; Vincent Masciana, Chief Operating Officer; Tracy Hussey, Director, Pupil Personnel Services; Mary Joscelyn-Gadd, Principal-Cheshire High School; Michael Woods, Principal-Dodd Middle School; John Perosino, Assistant Principal-Dodd Middle School; Diana Burns, Principal-Chapman Elementary School; Ann Donnery, Principal-Darcey School; Amy O'Brien, Principal-Doolittle Elementary School; Scott Jeffrey, Principal-Highland Elementary School; Kevin Hanlon, Curriculum Coordinator K-8; Robin-Anne Carey, Supervisor of Elementary Special Education; Marie Broadway, Supervisor of Secondary Special Education; Kelly Lenz, Coordinator of School/Community Relations

**1. CALL TO ORDER – 7:30 P.M.**

A. Roll for Quorum. The roll was called and a quorum determined.

B. Pledge of Allegiance to the Flag of the United States of America.

Mr. Perugini led the group in the Pledge of Allegiance to the Flag. He turned the meeting over to Mr. Grippo, Chairman of the Finance Committee and noted the other members of the Committee are Faith Ham and Kathryn Hallen.

**2. PUBLIC BUDGET REVIEW AND DISCUSSION REGARDING THE SUPERINTENDENT'S RECOMMENDED BUDGET**

**A. Budget Overview**

Mr. Masciana explained the budget process and that this evening, in addition to the budget overview, they will be reviewing revenue, employee salaries and employee benefits. Next week, they will review instructional expense, support services, maintenance and operations. They will answer any questions they can tonight and if they don't have the information, they will provide it at the next meeting. He noted that salaries are budgeted based on actual payroll numbers, person by person, bargaining unit by bargaining unit. Also the medical benefits portion is based on projected renewal estimates and, as the budget is developed, the managers put in their own requests for non-salary line items. The budget must be submitted to the Town Manager by February 15, 2020.

Mr. Masciana reviewed the key budget assumptions:

- Projected enrollment decline of 47 students to 4,105
  - PK-6 increases by 11, 7-8 decreases by 10, 9-12 decreases by 48
  - No elementary staffing changes, class size goes from 17.9 to 18.1 average
- Special Education enrollment and needs continue to grow
  - .5 Special Education Teachers - Darcey K and QU/Transition Program
  - .5 Board Certified Behavioral Analysis (BCBA) to serve District needs
  - Tuition Outplacement, Pupil Services and needs for IA staff increasing
- Non-Certified Staffing Needs
  - .8 Math Interventionist for Dodd and Hall Monitors - Norton & Chapman
- Increase Requested in Medical Benefits
  - Medical benefits budget was decreased 7.6% in 17/18, 2.3% in 18/19 and 1.2% in 19/20 due to new union contracts, increased HSA enrollment, cost savings and a healthy reserve balance which is now decreasing
- Modest Increase in Operations and Maintenance
  - Driven by higher maintenance needs for our aging buildings

Mr. Masciana reviewed the extensive list of mandates and noted some new mandates may affect our budget next year.

**B. Review of Revenue Budget**

The 2020-2021 Projected Revenue is \$10,351,823. We get more funding from the Educational Cost Sharing (ECS) because we have a prison in town and the prison population is counted. Revenues are as follows:

Educational Cost Sharing – ECS	\$ 9,313,576
Special Education Excess Cost	\$ 479,000
Birth to 3 Program	\$ 360,000
School Construction Grants	\$ 7,412
Transportation (Magnet Schools Only)	\$ 15,600
Tuition – Pre-School SmartStart and Integrated Programs	\$ 140,000
Adult Education	\$ 26,235
Building Use Rental Fees	<u>\$ 10,000</u>
Total	\$ 10,351,823

Without the revenues, the tax burden to the average Cheshire resident who owns a home and two cars assessed at \$220,840 would be \$828 higher per year.

Building Use Revenue is received from building rentals, this is money that is paid to us but is turned over to the Town. Below is a listing of last year’s building use revenues.

Mr. Masciana reviewed building use revenue which is received from an organization using our building and being charged a building use fee, these are not custodian costs:

Cheshire YMCA (Before/After Care – 5 Schools)	(\$ 9,000)
Small World Languages	(\$ 1,890)
Temple Beth David	(\$ 1,365)
Olympic Taekwondo Cheshire	(\$ 378)
Parichoy	(\$ 374)
Girls on the Run (Greater Hartford)	(\$ 144)
Democratic Town Committee	(\$ 110)
Grand Total	(\$13,261)

Mr. White questioned if there was additional revenue being received through the adult education program. Mr. Solan, Mr. Masciana and Ms. Lenz answered that the revenue listed above was received from the State to cover the mandated courses. The enrichment courses are a “wash.”

Cheshire’s per pupil expenditure is on the low end of DRG B districts and Cheshire receives above-average Educational Cost Sharing (ECS) revenue. Cheshire’s per pupil expenditure is \$14,311.55.

Mr. Masciana reviewed the requests from administrators that are not included in the budget. Mr. Martelli asked who makes the ultimate decision of what is included in the budget. Mr. Masciana answered that it is a collaborative process, but ultimately it is the Superintendent’s decision.

Mr. Masciana reviewed that the 2020-21 Superintendent’s Budget Recommendation is \$76,330,052, an increase of \$2,973,541, or 4.05%. 64% of the budget request is for Salaries; 16% is for Employee Benefits; 9% is for Support Services (student transportation); 6% is for Instructional Expense; 5% is for Maintenance and Operations.

94.7% of the budget request is for large or fixed costs such as salaries, benefits, transportation, special education, utilities and facility cleaning. The remaining 5.3% is for variable costs, easier to reduce such as instructional supplies, and textbooks, software.

**C. Review of Certified Staff Salaries**

Mr. Masciana noted that an important component of salary costs is adding, decreasing, or replacing employees, as well as wage increases. He reviewed the bargaining unit increases this year, with the average increase being 2.75%. He also noted that the teacher and administrator contracts expire in June 2021.

Mr. White asked how many teachers there are in the district, Mr. Masciana answered about 385. Mr. White asked what the turnover rate is, Mr. Masciana said very low for teachers but high for IA's. Mr. White asked why there is a high turnover for IA's. Mr. Masciana answered mostly the wages for that position are low and the availability of other opportunities arise and they take them.

Certified Employees include teachers, administrators, directors & supervisors, substitutes, student activities, homebound tutors and adult education. Certified Salaries represents 50.7% of the budget. Certified Salaries are budgeted to increase by 3.12%. He explained that there is much more detail in the budget books.

		EXPENDED	BUDGET	PROJECTED	REQUESTED	CHANGE	% inc/
		2018/19	2019/20	2019/20	2020/21	(From BGT)	% dec
110	ADMINISTRATION	\$ 528,611	\$ 558,229	\$ 558,229	\$ 564,570	6,341	1.14%
111	DIRECTORS/SUPERVISORS	\$ 676,133	\$ 674,837	\$ 674,837	\$ 689,486	14,649	2.17%
112	PRINCIPALS/ASST PRINCIPALS	\$ 1,931,822	\$ 1,996,364	\$ 1,996,364	\$ 2,006,245	9,881	0.49%
113	TEACHERS	\$ 31,428,235	\$ 32,753,540	\$ 32,753,540	\$ 33,832,927	1,079,387	3.30%
114	SUBSTITUTES	\$ 798,646	\$ 616,000	\$ 616,000	\$ 650,000	34,000	5.52%
115	HOMEBOUND	\$ 305,889	\$ 210,000	\$ 210,000	\$ 225,000	15,000	7.14%
117	STUDENT ACTIVITIES	\$ 572,755	\$ 590,953	\$ 590,953	\$ 602,300	11,347	1.92%
118	ADULT EDUCATION	\$ 96,489	\$ 101,076	\$ 101,076	\$ 101,814	738	0.73%
	<b>CERTIFIED SALARIES</b>	<b>\$ 36,338,580</b>	<b>\$ 37,500,999</b>	<b>\$ 37,500,999</b>	<b>\$ 38,672,342</b>	<b>\$ 1,171,343</b>	<b>3.12%</b>

Mr. Grippo asked if Student Activities is the same as the student activities fund. Mr. Masciana answered, no this is for stipends for staff such as mentors, band instructors, etc.

**D. Review of Non Certified Staff Salaries**

Non-Certified Salaries include Instructional Assistants, Secretarial and Clerical, Support Personnel, Maintenance Employees, Nurses/Therapists, BOE bus drivers and managers, and supervisors. Non-certified salaries represent 13.4% of the budget and will increase by 2.72%.

		EXPENDED	BUDGET	PROJECTED	REQUESTED	CHANGE	% inc/
		2018/19	2019/20	2019/20	2020/21	(From BGT)	% dec
116	INSTRUCTIONAL ASSISTANTS	\$ 2,853,985	\$ 3,095,123	\$ 3,095,123	\$ 3,221,369	126,246	4.08%
119	MANAGERS/SUPERVISORS	\$ 283,350	\$ 341,657	\$ 341,657	\$ 370,321	28,664	8.39%
120	SECRETARIES	\$ 1,963,675	\$ 2,103,549	\$ 2,103,549	\$ 2,153,571	50,022	2.38%
121	CUSTODIANS	\$ 938,626	\$ 973,718	\$ 973,718	\$ 995,612	21,894	2.25%
122	MAINTENANCE	\$ 677,569	\$ 787,880	\$ 787,880	\$ 806,539	18,659	2.37%
123	SUPPORT	\$ 1,647,165	\$ 1,762,758	\$ 1,762,758	\$ 1,783,402	20,644	1.17%
124	DRIVERS	\$ 376,266	\$ 347,158	\$ 347,158	\$ 356,391	9,233	2.66%
125	HEALTH SERVICES	\$ 500,085	\$ 519,944	\$ 519,944	\$ 514,359	-5,585	-1.07%
	<b>NON-CERTIFIED SALARIES</b>	<b>\$ 9,240,721</b>	<b>\$ 9,931,787</b>	<b>\$ 9,931,787</b>	<b>\$ 10,201,564</b>	<b>\$ 269,777</b>	<b>2.72%</b>

There is an additional \$20,000 budgeted to cover the additional cost of a Security Manager which was budgeted last year at \$50,000 but it is anticipated to be

\$70,000. Other increases to this account are for Instructional Assistants and an additional driver.

**E. Review of Employee Benefits**

Employee Benefits comprise 15.6% of the budget. This account is budgeted to increase by 7.11%. This account includes Medical/Dental, Social Security, Pension Plan, Workers Compensation and Unemployment and Life and Disability Insurance.

		EXPENDED	BUDGET	PROJECTED	REQUESTED	CHANGE	% inc/
		2018/19	2019/20	2019/20	2020/21	(From BGT)	% dec
201	MEDICAL BENEFITS	\$ 8,443,276	\$ 8,390,374	\$ 8,390,374	\$ 9,079,474	689,100	8.21%
202	LIFE INSURANCE	\$ 72,965	\$ 72,714	\$ 72,714	\$ 72,714	0	0.00%
203	DISABILITY INSURANCE	\$ 36,559	\$ 34,892	\$ 34,892	\$ 35,472	580	1.66%
204	PENSION/RETIREMENT	\$ 992,224	\$ 967,467	\$ 967,467	\$ 997,217	29,750	3.08%
205	WORKER'S COMPENSATION	\$ 360,694	\$ 349,050	\$ 349,050	\$ 387,344	38,294	10.97%
206	UNEMPLOYMENT COMPENSATION	\$ 21,739	\$ 25,000	\$ 25,000	\$ 25,000	0	0.00%
210	SOCIAL SECURITY	\$ 1,253,523	\$ 1,267,494	\$ 1,267,494	\$ 1,300,000	32,506	2.56%
	<b>TOTAL EMPLOYEE BENEFITS</b>	<b>\$ 11,180,980</b>	<b>\$ 11,106,991</b>	<b>\$ 11,106,991</b>	<b>\$ 11,897,221</b>	<b>\$ 790,230</b>	<b>7.11%</b>

The 2019/20 Budget reflects a \$500k reduction from the Board of Education request due to a healthy reserve balance. He noted also that the 2018/19 budget reflected a \$200,173 reduction and in 2017/18, the budget for this line item had been reduced \$716,388.

Mr. Masciana went into some detail breaking down the cost of medical benefits, the types of plans available to employees, employee cost sharing and the multi-year initiatives to reduce costs such as changing carriers to CIGNA. Employees are paying more toward their coverage through higher co-share rates, higher HSA deductibles and higher copays.

Mr. Masciana reviewed the Medical Benefits Reserve Fund. Contributions are charged to the operational budget and deposited to the medical benefits reserve fund which increases the balance in the fund each month. Claims are paid out of that reserve. He reviewed the history of the fund and explained that back in 2014 and 2015, the reserve fund was underfunded. The way this was rectified was to have a 5% budget increase to replenish the fund. He said at the end of this fiscal year he expects the balance to be at about \$2.9 million. He cautioned that we are not currently funding contributions to the expected claim rate. He said that if we do not start funding the fund to cover the claims, we will have to come back and ask for a larger budget increase in the future.

Next he reviewed the Pension/Retirement Account increase of \$29,750 to \$997,217 for employer contributions to non-certified retirement plans. This increase is set by the actuaries through the Town. He explained the non-certified plans. Prior to 2012 there were 102 employees in the Pension Plan. Since July

2012, new employees are eligible for a defined contribution plan, there are 161 employees in that plan. He explained the history to the new Board members.

Ms. Ham asked if the requested increase to the medical benefits account will bring the reserve to the level needed. Mr. Masciana answered, yes, it is only to replenish the reserve, not to go above what is needed to cover claims. Mr. Perugini provided some history of the fund. He said the fund cannot be used as a slush fund, only to pay claims.

Mr. Grippo thanked Mr. Masciana for his work in putting this presentation together.

**3. PUBLIC COMMENT**

None.

Mr. Grippo asked if the hall monitors mentioned were the same as the one mentioned in the Superintendent's presentation for security measures. Mr. Masciana answered, yes. They will be putting in a second set of doors in each of the schools where visitors will have to be buzzed in. The hall monitors would be placed at the entrances at Norton and Chapman Schools where the offices are not located close to the entrance. The idea is to stop someone from gaining entrance to the building.

Mr. Grippo asked if the .5 Behavioral Analyst is in response to the showcase meeting we held. Mrs. Hussey answered that this position is in response to a great need for assistance to help manage students with social emotional needs at the elementary level.

Mr. Grippo asked about the math interventionist; he noted there is a decrease in enrollment at Dodd and an improvement in the program. He asked what the rationale is to have the interventionist. Principal Woods answered that there is no correlation to student population, but more with the district scores at the elementary level and how to support these students when they come to Dodd.

Mr. White asked about administrator contract incentives. Mr. Masciana answered yes, it was for four principals who were given incentives for 4 years, but it has expired so it is no longer included in the budget.

Ms. Ham asked if there is an estimated number of retirees. Mr. Solan said at the moment there is only one, but that is typical for January. She asked if there is a retirement incentive this year, and Mr. Masciana answered, no.

Mr. Grippo turned the meeting back to Mr. Perugini.

Mr. Perugini thanked the Superintendent, Mr. Masciana and the administrators for their work in developing this budget. He reviewed the upcoming budget meetings noting that an extra date is included in case it is needed to cover more information.

4. **ADJOURNMENT**

On a motion by Ms. Ham, and seconded by Mr. Martelli, the meeting was at 9:10 p.m.

Respectfully submitted,

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Anthony Perugini, Board Chair

Attest:

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Carol K. Jesensky, Board of Education Clerk

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