

**MINUTES OF THE FINANCE COMMITTEE OF THE WHOLE MEETING
HELD VIRTUALLY JANUARY 28, 2021 AT 7:00 PM**

Finance Committee Members Present: Adam Grippo, Chair, Kathryn Hallen, Faith Ham

Other Board Members Present: Anthony Perugini-Chair; Adam Grippo-Vice Chair;
Kathryn Hallen-Secretary; Faith Ham, Anne Harrigan,
Andrew Martelli, Timothy White

Administrators Present: Jeffrey F. Solan, Ed.D., Superintendent of Schools;
Marlene Silano, Assistant Superintendent of Schools;
Vincent Masciana, Chief Operating Officer; Robin-Anne
Carey, Director of Pupil Personnel Services

Public access made available through live streaming the Cheshire Public Schools YouTube Channel at www.youtube.com/cheshirepublicschools . Public comments were accepted at CPSCovid19@cheshire.k12.ct.us .

1. CALL TO ORDER – 7:02 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. Grippo led the group in the Pledge of Allegiance to the Flag.

2. AUDIENCE

Dr. Solan mentioned that there was one email received from Cheshire resident, Keith Nagy, who wrote that the whole workforce industry is on a pay freeze or being laid off, as well as paying a substantial amount more for benefits. He believes that should be considered rather than have taxes increase for residents who are already struggling with constantly rising taxes. He believes this is why residents keep moving away.

Dr. Solan noted that there were other questions that will be answered during his presentation.

3. SUPERINTENDENT’S SUMMARY OF RECOMMENDED BUDGET AND RESPONSE TO QUESTIONS.

Dr. Solan gave a summary presentation to the Board (on file).

Dr. Solan gave a recap of what was discussed at the previous budget meetings. He said there are several factors driving this budget, mainly student enrollment, aging facilities and medical benefits. His recommended budget is \$778,487,052 which is an increase of \$3,893,126 or 5.22% over the current budget. The Superintendent emphasized that zero percent of the increase is for improvement, 58% is for restoration and 42% is for contractual increases. He reviewed the budget request by category, noting we are a personnel-heavy business, which is 80% of our budget.

Our current enrollment is 85 students higher in grades PreK - 6 than what was projected. He reviewed enrollment information that was given to the School Modernization Committee but not shared publicly. Birth rates are up and there has been an increase in housing developments being built. He explained persistency ratios, which means that generally, classes grow slowly as students matriculate throughout the system with the exception of transition years such as grade 8 to 9. He said it is important to note that over the last five years, for every birth, 1.5 children register in our schools. For this reason, they are adding two elementary school teachers in this budget maintain class sizes. The Superintendent also shared that elementary schools are projected to be over capacity. Highland is projected to exceed capacity within 3 years, Chapman in five years and Norton in 10 years. Darcey is over capacity now, which is why they will be moving two kindergarten classes back to Doolittle School.

Dr. Solan reviewed how medical benefits are the biggest driver in this budget increase is medical benefits. Claims that were expected to be at \$800,000 per month were actually \$1.1 million per month. He said they are budgeting a claim rate contribution of \$900,000 per month for 2021/22.

Dr. Solan reviewed some of the questions that have come up during the budget review process. A question was asked by Cheshire resident, Mary Burnham, regarding how we can meet the student needs post COVID? He answered that we can always add more staff. He said it is a full scale commitment by every individual in the building to utilize our SEL skills and awareness, and to accelerate our curriculum.

Mr. Bestor sent an email inquiring about standardized test costs and commitments. Dr. Solan said tests do not cost the Town anything. He said our curriculum is not designed to only do well on a test; it is designed to teach students to be complex thinkers.

Robin-Anne Carey addressed some questions that arose during the previous meetings. She said there was a question regarding chronic absenteeism of 9 absences or more. She said that they have 82 general education students who fall into that category and 51 special education students who fall into the chronic absenteeism category. Mr. Grippo asked if we subtract any days that students may be out for quarantining. Ms. Carey said she will confirm that those absences were excluded. Ms. Ham asked how that compares to previous years. Ms. Carey said she will get that information for the Board.

Regarding the new state mandate requiring districts to provide students with services until they are 22, this year there are 6 students who will turn 22 during the year, 3 of whom were exited from the system at age 21 and then brought back when the mandate took effect. Next year, there will be 2 students who will turn 22 at some point during the school year.

4. **PUBLIC DISCUSSION REGARDING SUPERINTENDENT'S RECOMMENDED BUDGET.**

Ms. Silano read into the record, emails from Mr. John Bestor and Ms. Mary Burnham that were referenced earlier into the record.

5. **BOARD REVIEW REGARDING SUPERINTENDENT'S RECOMMENDED BUDGET.**

Mr. Masciana provided answers to some of the questions that were asked during the budget process. Regarding the birth rates in Cheshire, the Town Clerk confirmed that there were 221 births in 2020. This number was above projections.

Mr. Masciana said that, per Mr. White's question, the Town informed him that they have never had a pension buyout in the past. Mr. Masciana shared detailed information regarding the Asset Plan Actuarial Valuation, Pension Plan Investment Performance and Asset Allocations. These documents are on file.

Regarding Medical Benefits, the number of claims that are over \$25,000 for the 19-20 and 20-21 YTD period increased 80% and the claim amounts increased by 101% over last year. The percentages of claim types were 23% Cancer Claims; 22% Bone & Joint; 17% Gastrointestinal; 15% Heart related; 11% Childbirth; 9% Surgical; 2% Counseling; and 1% COVID-19. He said only 3 claims exceeded the \$175,000 stop-loss limit. He said we had higher claims and were funding the account at a lower amount because we had a healthy reserve.

Ms. Harrigan asked about setting up a special revenue account for medical benefits and asked if the Town is seeing the same trend. Mr. Masciana said yes, the Town is seeing the same trend. They are going to meet, discuss and share information with the Town Council and Board of Education. He said Town Manager, Sean Kimball, will also have to increase the Town's contributions.

Mr. White noted that we say we have no control over the costs, but really the Board does not have control over the rates. However, we do have control over costs if they choose to reduce headcount. He said he is not advocating for that, but the Board does have control and could make those changes. Mr. Perugini said that less staff does not necessarily change the amount of claims because claims are not controllable. Mr. Perugini said our staff has been reduced by over 40 people over the years and our claims have increased. Ms. Hallen said less staff means larger class sizes and historically, the Board will do everything possible to avoid that situation. Reducing staff would be a last resort.

Mr. Grippo asked if we continue medical benefits when teachers retire. Mr. Masciana said there was an incentive last year where teachers could keep their benefits for one year or take a cash payout. Teachers can stay on our plan until age 65 at their own cost. Mr. Grippo said he is concerned, as far as our claim trends show that we are not properly reserving. Mr. Masciana said there is a cycle; every 4-5 years, we end up in this position where we have to make a large contribution because we had a large fund reserve and we

lowered our funding, and then we had a high claim rate. Mr. Grippo said we should figure that five-year dip into our budget.

6. **POSSIBLE ACTION REGARDING 2021/22 PROPOSED BOARD OF EDUCATION BUDGET.**

MOTION by Mr. Grippo and seconded by Ms. Ham.

MOVED that the Finance Committee forward the Superintendent's proposed budget for 2021-2022 of \$78,487,052, an increase of \$3,893,126 over the current budget, to the full Board of Education for consideration.

Each of the Finance Committee members voiced their support of the motion.

VOTE: The Motion passed unanimously 3-0.

Mr. Grippo asked if they will need a motion for the COVID Supplemental Budget. Mr. Masciana said he spoke to the Town Manager about doing the same on the Town-side. He also spoke to peers in surrounding districts. He said a few are assuming COVID will end and are not budgeting anything. One is including the relating expense in their operating budget, but less than what they spent this year. Mr. Masciana added that we don't know what we will receive in State and Federal reimbursements. He recommends that we put something forward, not as an approved budget, but for the Town Council to consider while they are deliberating over the budget. Dr. Solan said we should know what our reimbursement will be by next Thursday, and they can talk with the Town about a plan. Dr. Solan said he and Mr. Masciana will get this information together for Thursday's meeting.

Mr. Grippo announced that the next meeting will be a Special Board of Education Meeting to adopt the budget on February 4, 2021 at 7:30 pm.

7. **ADJOURNMENT**

On a Motion by Ms. Hallen, and seconded by Ms. Ham, the meeting was adjourned at 8:45 p.m.

Respectfully submitted,

Anthony Perugini, Board Chair

Attest:

Carol K. Jesensky, Board of Education Clerk

Filed at the Town Clerk's Office, Town Hall, Cheshire: February 4, 2021.