

**MINUTES OF BOARD OF EDUCATION FINANCE COMMITTEE MEETING
HELD VIRTUALLY VIA LIVESTREAM ON NOVEMBER 9, 2020**

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

Other Board Members: None

Administrators Present: Jeffrey F. Solan, Ed.D. Superintendent (arr. 7:30pm);
Vincent Masciana, Chief Operating Officer

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

1. Call To Order – 6:30 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. Grippo led the group in the Pledge of Allegiance to the Flag and then turned the meeting over to Dr. Solan

2. Public Comment Via CPSCOV19@CHESHIRE.K12.CT.US

None.

3. Review of 2020-2021 Operating Budget

Mr. Masciana reported that the budget for the 2020-21 fiscal year is \$74,593,926. We have expended and encumbered \$57,689,015, or 77.3% of our budget, through the first four months of the year including the encumbrances for our largest account categories, namely the payroll and transportation accounts. He is projecting that they will end the year in balance. He noted that because of the change in the participation in our student lunch programs, they are expecting a significant shortfall that the Board of Education must make up. Madeleine Diker, Food Services Director is present to report to the Committee.

Mr. Masciana reviewed the following list of potential major costs that will be incurred due to the pandemic this fiscal year, along with associated revenue and cost offsets:

<u>2020-21 COVID Related Expenditures and Revenues as of 11-9-2020</u>	
<i>Key Assumption: School remains in session for full calendar year. CHS remains in Hybrid and all other schools operate on a full day schedule.</i>	
Description of Major Potential Costs due to Covid-19	Estimated Cost for Full Year
Contracted intra-day cleaning, sanitizing and disinfecting for 10 months	\$300,000
Food Service Program - Revenue Loss (assumes participation increases over current low levels)	\$300,000
A/V Installation to enable 59 Broadcast Classrooms	\$191,994
Tent and Table rentals - September 8th through November 20th	\$159,000
Isolation Room Monitors (assumes \$15k per month ending in March)	\$135,000
PPE, Sanitizing, Disinfecting supplies for 8 additional months @ \$15k/month	\$120,000
Removal, 10 months storage, and return of classroom furniture and equipment	\$98,410
Bus Monitors (assumes no additional bus monitor costs for remainder of year)	\$40,000

Potential Cost Total	\$1,344,404
Revenue and Cost Variance Offsets	
<i>Less Coronavirus Relief Fund Reimbursements</i>	<i>-\$706,075</i>
<i>Less Elementary & Secondary Emergency School Relief Fund (ESSERF) (For Broadcast classrooms)</i>	<i>-\$85,264</i>
<i>Less Unexpended Education Funds Account from 2019-20 Budget Carryover</i>	<i>-\$200,000</i>
<i>Less Expected Transportation Savings</i>	<i>-\$50,000</i>
Potential Cost Offset Total	<i>-\$1,041,339</i>
Net Cost Overage to be offset through budget savings or additional funding	\$303,065

Assuming that we can continue along this path for the remainder of the school year, as is reflected in the summary above, we anticipate having a net cost overage of approximately \$300,000 that we will need to offset within the existing budget by reducing our non-payroll expenditures, such as maintenance.

Ms. Hallen asked about the broadcasting systems for the classrooms. Mr. Masciana noted that we received \$30,000 from the Cheshire Education Foundation to pay for additional systems.

Ms. Ham asked about the sanitizing and disinfecting supplies and asked if those are paid for by our cleaning company. Mr. Masciana said the \$120,000 cost is for supplies given to our staff and students including masks, hand sanitizers and wipes. The \$300,000 is to pay for our cleaning contractors, including their staff and costs for cleaning during the school day.

Ms. Ham asked if we can count on receiving the relief funds. Mr. Masciana said he believes it is reliable and will explain that in the next portion of the meeting. He said if they do not provide the relief funding we would have a significant problem.

4. Update on Coronavirus Relief Fund Grant

Mr. Masciana provided an update on the Relief Fund Grant as per the chart below

2020-21 COVID-19 Related Revenue (Updated as of 11-6-2020)					
Elementary & Secondary Emergency School Relief Fund (ESSERF)*	\$85,264				
* This funding was provided under the CARES Act. The total amount allocated to Cheshire totaled \$99,144 of which \$13,880 went to non-public schools).					

Coronavirus Relief Funds (We submitted a grant application to the State on 10-1-2020 as updated in the table below. We are awaiting some further guidance on whether we will be permitted to transfer funding between categories as expenses are incurred.

	Estimated Cost Provided to State on 8/11/2020	Amount Allocated by State	Grant Application Submitted by CPS10-1-2020	Grant Application Updated by CPS 10-30-2020
<u>Personnel Costs</u>				
Teachers	\$200,000			
Substitutes	\$100,000			
Paraprofessionals (IA's)	\$50,000			
Overtime	\$15,000			
Psychologists, Counselors, Social Workers	\$50,000			
School Nurses	\$25,000			
Bus Monitors	\$200,000			
Personnel - Cleaning/PPE/Health/Safety Isolation Room Monitors	N/A	\$11,012	\$11,012	\$41,012
Personnel - Transportation	N/A	\$75,063	\$75,063	\$34,000
Personnel Costs - Total	\$640,000	\$86,075	\$86,075	\$75,012
<u>Non-Personnel Costs</u>				
Online Academic Content	\$28,000			
Professional Development	\$8,000			
Health and Safety - Contracted Services	\$300,000			
Personal Protective Equipment (PPE)	\$200,000			
Cleaning Supplies	\$100,000			
Student Support - Contracted Services	\$50,000			
Student Support - Professional Development	\$5,000			
Technology Device Purchases	\$125,000			
Hot Spots	\$9,000			
Other Equipment (Broadcast Classrooms)	\$200,000			
Bus Cleaning Costs	\$20,000			
Non-Personnel Cleaning/PPE/Health/Safety	N/A	\$600,000		
Non-Personnel - Transportation	N/A	\$20,000		
Contracted Services for Cleaning/Health/Safety		N/A	\$457,495	\$501,544
Supplies - Sanitizing, Disinfecting, FFE - School Buildings		N/A	\$100,654	\$96,868
Supplies - PPE - School Buildings		N/A	\$41,851	\$30,651
Supplies - Cleaning/Health/PPE - Transportation		N/A	\$20,000	\$2,000
Non-Personnel Costs Total	\$1,045,000	\$620,000	\$620,000	\$631,063
Personnel and Non-Personnel Cost Total	\$1,685,000	\$706,075	\$706,075	\$706,075

Mr. Grippo asked if Mr. Masciana was working with the Governor's Office. Mr. Masciana said the applications were submitted online. Mr. Grippo asked if he has talked to the Town regarding FEMA reimbursement. Mr. Masciana replied that there is not much FEMA funding available. You must spend the State funding before you can look for FEMA funds.

Mr. Masciana said as of right now, they are looking at a \$300,000 net deficit all-in, including what they are receiving from the Coronavirus Relief Funds.

Mr. Masciana introduced Madeleine Diker, Director of Food Services, to talk about the problems they are facing and the mitigation strategies that have already been put into place.

Mrs. Diker explained the main cause of the shortfall to the program is decreased participation. Breakfast meals are down 19% and lunch meals are down 45% from last year. Revenues are down with a la carte sales down 85.6%, and the loss of upper tier lunch revenue at Cheshire High School. Mrs. Diker said there is a cash flow problem because parent funding of student accounts is expected to be down 95% and catering is expected to be down 62%.

Mrs. Diker explained there is an increased cost of food per meal. She said normally children need only select 3 of the 5 lunch components and 3 of the 4 breakfast items as per USDA in an effort to reduce waste. Due to the pandemic, they are packaging all 5 lunch components and 4 breakfast items into one bag. There is an extra cost in packaging lunch menu items in foil bags or foil trays to keep hot food hot, which is then packed in an additional bag. In addition, the cost of vinyl gloves increased from \$17.98 per case to \$90.00 per case this week. There are increased labor costs due to the need for extended lunch waves, additional training, bagging food, etc. Another issue is the lack of participation by students for many reasons. She said they are currently serving 210 students 3-5 days per week at CHS (2000 meals per week), when in the spring, they were serving 850-900 students 7 days per week in the Dodd Grab and Go (12,250 meals per week).

Mrs. Diker reviewed her plan to mitigate loss including:

- Increasing Meal Participation as quickly as possible
- Beginning to offer Grab n Go Meals at Dodd Middle School between 12:30 PM - 1:30 PM and offer Grab n Go Meals for 7 days a week at CHS and Dodd.
- Setting up a Marketing and Communication Plan including communication to parents, Twitter and increased Facebook reminders for Grab n go Meals
- Providing samples of new foods.
- Reducing Expected Food Cost
- Reducing labor or effectively use labor to increase participation.

Mr. Masciana added that this problem is not unusual; many districts are experiencing the same problem of lack of participation and increase of costs. He said the mitigation

strategies Mrs. Diker is putting into place will help, but he expects a \$300,000 shortfall this year.

Ms. Ham voiced her concern about being so dependent on federal reimbursement. Mrs. Diker noted that pre-pandemic we were only reimbursed for free and reduced lunches for low income families, about 25% of their revenue. Currently, per the President's order, all meals are free for all students for the entire year. Mr. Masciana added that this is a very technical process. We have to serve all components of the meals in order to be reimbursed. Dr. Solan added that this is different than in the spring while most people were working from home. Ms. Ham asked if we could reduce labor by 5%, how much would be saved. Mrs. Diker said that would be approximately \$80,000 total.

Mr. Grippo asked why we are still short \$300,000 when we are supposed to be reimbursed by the federal government for these meals. Mrs. Diker explained that the reimbursement does not cover all of the costs. There is not enough participation to cover the overhead. Dr. Solan said we were operating with the same overhead, but serving fewer meals. Mrs. Diker added that we are being reimbursed less per meal than what we charged before, and we now also have to provide all 5 components versus allowing students to have choices to choose only what they want.

Mr. Grippo asked if we are mandated to do this. Dr. Solan answered that our first priority is to make sure our students get adequate nutrition. He said this is a short term problem, and once the pandemic is over things will get back to normal. Previously we could sell higher priced items and a la carte items to increase revenue. There was extensive discussion regarding free and reduced lunches and government reimbursement.

Mr. Grippo said the bottom line is there is going to be a shortfall and we will have to find the funding somewhere. He said it is a difficult situation and he appreciates their efforts.

5. Other

Mr. Masciana said Ms. Ham had asked him about the Grand List and when we would have an estimate. He reached out to Mr. Jaskot, Town Finance Director, who said we will not have an estimate until January, however the average grand list growth is about .67 % per year, although last year was 1.52%. Mr. Masciana calculated that last year, based on the .67% increase there would be an increase of \$19.4 million, generating a growth of about \$640,000 of additional revenue. He reiterated that this is just an estimate, and we will have a better idea in January. Ms. Ham said she had asked because she was looking for a more methodical approach to budgeting this year.

Mr. Grippo asked if we were budgeting next year as if the pandemic was gone. Mr. Masciana answered that they asked the principals to budget as if the pandemic was over and then he will budget separately for pandemic related costs.

6. **Adjournment**

On a motion by Ms. Ham and seconded by Ms. Hallen, the Committee voted unanimously to adjourn the meeting at 8:20 pm.

Respectfully submitted,

Adam Grippo, Finance Chair

Attest:

Carol K. Jesensky, Board of Education Clerk

Filed electronically at the Town Clerk's Office, Town Hall, Cheshire: November 24, 2020.