

**MINUTES OF THE CHESHIRE TOWN COUNCIL BUDGET COMMITTEE MEETING
HELD ON TUESDAY, MARCH 26, 2019 IN COUNCIL CHAMBERS, TOWN HALL, 84
SOUTH MAIN STREET, CHESHIRE CT 06410**

Present

Robert J. Oris, Jr. Chairman; Paul A. Bowman, Vice Chairman; Timothy Slocum (Budget Committee Chairman), Patti Flynn-Harris, Sylvia Nichols, Thomas Ruocco, Peter Talbot, David Veleber. Absent: Jeffrey Falk
Staff: Sean M. Kimball, Town Manager; Arnett Talbot, Assistant Town Manager; James Jaskot, Finance Director;
Dept. of Education: Supt. Of Schools Jeffrey Solan; COO Vincent Masciana
Board of Education: Ms. Hallen, Chairperson, Ms. Harrigan, Ms. Sobel, Mr. Grippo.

1. ROLL CALL

Chairman Slocum called the meeting to order at 6:40 p.m.

The clerk called the roll and a quorum was determined to be present.

2. PLEDGE OF ALLEGIANCE

The group Pledged Allegiance to the Flag.

3. PROPOSED FY 2109-2020 DEPARTMENT OF EDUCATION BUDGET

Budget Committee Chairman Slocum welcomed the Dept. of Education staff and BOE members to the meeting for the presentation of the BOE FY 2019-2020 budget.

Supt. Solan conducted the first section of the presentation of the BOE budget. A copy of the BOE budget presentation is attached to these minutes.

Supt. Solan said the budget was many months in the making, starting in September 2018, and represents the work of many people...COO Masciana, staff, teachers and the BOE members. The BOE budget was submitted to the Town Manager in January 2019.

Supt. Solan reviewed and remarked on the BOE budget information in the presentation package. The BOE destination is "complex thinking and social-emotional learning."

The BOE budget included the review of staffing, medical benefits, preliminary projected renewals, non-salary line items, new programs and line items. It has received BOE and community review; was submitted to the Town Manager; will have Town Council review and modification; and, will go back to the BOE which will make the necessary modifications.

2019-2020 BOE Initial Internal Budget Request - \$75,942,864; Increase of \$4,299,238; 6.0%. (FY 2018-2019 Budget \$71,643,626).

Supt. Solan noted that this budget does not include new or replacement equipment nor staffing requests, which are about \$750,000.

Budget History – FY 16-17 the BOE increase was 0.96%; FY 17-18 the budget increase was 0.36%; in these two years the initial Council approval was reduced mid-year. Average three (3) year increase (FY 2017 to FY 2019) is 1.16%, the lowest 3 year average since 1976.

Budget Elements – Contractual – negotiated contracts, utilities, legal requirements, etc.
Restoration – medical benefits, building maintenance and repair;
Improvement – additions beyond current budget designed to improve service and meet BOE goals.

2019-2020 BOE Approved Budget - \$74,308,621; increase of \$2,664,995; 3.72%.
FY 2018-2019 budget - \$71,643,626.

The percentage of increases are Contracts 72%; Restoration 22%; Improvements 6%.

Budget Highlights – Restoration – partial restoration of medical benefit contribution funding to cover claims; increase maintenance budget to address repair needs.
Improvement – increase school psychologist staffing at each elementary school and Cheshire High School.

There are items “not included in the budget” which are cited in the packet.

What If Priorities – Middle/High School Math Interventionists \$80,000; Elementary Technology Coach \$80,000; School District Security Manager \$80,000; SEL Coaching \$30,000; Districtwide Classroom Furniture \$20,000; Districtwide Professional Development \$10,000; Musical Instrument Replacement \$10,000.

Key Budget Assumptions – projected enrollment decline of 36 students to 4,204; Special Education enrollment and student needs are increasing; increase of 2 school psychologists, increase of .5 special education teacher for Darcey Kindergarten, tuition outplacement, pupil services and needs for IA staff increases.
Medical benefits budget increase; Operations and Maintenance increases.

2019-2020 Budget Request \$74,308,621 – Salaries - \$47,422,786/64%;
Employee Benefits - \$11,688,471/16%; Support Services – \$6,664,026/9%;
Instructional Expense - \$4,803,669/6%; Maintenance & Operations - \$3,729,639/5%.

Mr. Slocum requested a data base (over 20 years) on level of staff associated with the Teacher Salary Account #113. He cited understanding on the increase of special education costs over the years, and inclusion of these numbers in the analysis.

The Council was told by Supt. Solan that over the last 15 years the special education costs have grown as a higher percentage of the BOE budget.

Budget Detail Line Item Changes of \$100,000 or more FY 2019-2020 Requested.

Teacher Salaries, \$926,032; Medical Benefits, \$400,000; IA Salaries \$270,182; Support Services, \$102,221; Tuition Outplacements, \$210,149; Building Maintenance/Repair \$187,351.

2019-2020 Projected Enrollment – PK to 12 – 4,204 (-36); PK to 6 – 644 (+24); 9 to 12 – 1,453 (-27). Does not include 29 elementary, 4 middle school and 4 high school Open Choice students.

The detailed class sizes and sections by school are cited in the report.

Elementary/Dodd Staffing – Increase one (1) classroom teaching position at Doolittle School to maintain current class size averages. 8th grade will be reduced by 2 teachers leaving 3.5 teams at each grade due to enrollment; reduction of one (1) Unified Arts position to be determined based on course enrollment and certification.

NESDAC data provides enrollment numbers which are conservative, with Cheshire numbers usually 12+ over projections.

Special Education Staffing and Costs – Two (2) full time school psychologists to provide increased staffing at Chapman, Doolittle, Highland, Norton and CHS; increase special education teacher by .5 at Darcey to address IEP Kindergarten requirements; 4.5 Instructional Assistant positions added to address student needs in FY19-20.

Costs FY 19-20 - \$18,076,595; 24.3% of BOE budget; servicing 542 students.

Supt. Solan cited statewide special education overall prevalence rate at 15%; Cheshire trend at 11.5%. Cheshire elementary 211 calls to date is 2; Dodd calls to 211 is 12; CHS 211 calls is 11.

Net Staffing Changes - +1 elementary; -3 at Dodd; Elementary & CHS SEL support +2; Elementary Sped Teachers IEP requirements +.5. Net over FY18-19 +.5.

Teacher Staffing Trends – FY 2014-2015 to FY 2019-2020 reflects reduction of 268 teachers; reduction of 30.2 positions since FY 2009-10.

MAINTENANCE AND OPERATIONS – Mr. Masciana reviewed the information. 8 main school buildings; average age of 68.5 years; oldest building is 109 years old; newest building is 48 years old; plus permanent portable classrooms, maintenance garage, bus depot, storage trailers and other aged structures. 300 learning spaces; 760,000 S.F. of buildings; thousands of square feet of roof systems, linear feet of sidewalks, parking lots, and acres of outside grounds. Operating funding levels for maintenance have increased but are in line with inflation rate; capital appropriations have been for building improvement “Must Haves.”

Maintenance budget FY 2019-2020 is \$3,729,639. Categories include utilities and heating, building maintenance and repair; cleaning services; maintenance supplies; equipment and maintenance & repair.

New Dattco Five Year Bus Contract – 0% increase in the first year; 2% increase in each of the other years; Savings +/- \$850,000 over 5 years.

New Cleaning Contract – price reduced by \$40,833 and locked for 2 years; \$81,666+ savings.

Energy Performance Contract - \$500,000+ annual savings pays for infrastructure.

Medical Benefits Strategy – reduced budget \$700,000+ for FY 17-18; \$200,000 for FY 18-19.

Energy prices locked where possible and prudent for unleaded fuel, diesel fuel, heating oil, electricity generation, natural gas. Details are cited in the report.

The Department of Education cost management efforts include purchasing on open bid, State bid, Consortium & Purchasing Groups, Negotiations; Amazon; use of technology to improve efficiency.

Per Pupil Expenditure – Supt. Solan reported that Cheshire's ranking in per pupil spending is #123 out of 166 CT School Districts; DRG B, Cheshire ranks 19 out of 21 school districts.

Cheshire's per pupil expenditure FY 17-18 was \$16,013; State average - \$18,243; difference of \$2,230 per pupil.

The report cites DRG B per pupil cost; Cheshire is at the low end of DRG B districts, and receives above average ECS revenue;

Excellent Value – Cheshire schools are recognized for their success; the community is recognized for Music in America; more than 93% of CHS students participate in extra-curricular activities; students and groups constantly recognized for excellence; CHS serves as a host site for other communities seeking to improve practices.

Scholarship Information – 9 National AP Scholars; 56 AP Scholars with Distinction; 37 AP Scholars with Honors; 52 AP Scholars.

National Merit Scholarships 2018 – 2 finalists; 2 semi-finalists; 7 commended students.

Supt. Solan briefly reviewed Cheshire's Return on Investment with the school district ranking #25 out of 166 CT districts

Supt. Solan stated that investing in schools is investing in Cheshire.

Staffing adjustments are based on enrollment of -2 students; net certified staffing is down 30.2 teachers since 2009-2010, paralleling a decline in enrollment; initial budget

increase of 6% was prioritized to a 3.72% request; addition of 2 school psychologists is designed to meet the needs of students and support SEL goal. Almost all of the proposed increase is dedicated to maintaining contractual and underfunded commitments; this substantially limits ability to advance educational programs. Prior three year average budget increase of 1.16% was lowest in 43 years.

Cheshire Public Schools are an outstanding value for the community spending \$5M less than the average DRG B districts with excellent results.

Council Questions and Comments

Mr. Ruocco said one of the biggest citizen complaints is enrollment at an all time low and budget increases, and he asked if staff reductions equal lower enrollment.

The Council was informed by Supt. Solan that staffing has been reduced proportionately over the last 6 years to enrollment numbers, with one certified teaching position for every 23 students. The answer is “yes”...reduced staffing is enrollment driven. There are other costs such as increases in bus transportation for CPS and St. Bridget students, heating of buildings. The district uses technology and experience to reevaluate bus runs, which were reduced by one route this year. Other inflationary driven items continue to increase. He noted that with binding arbitration, the arbitrator decides on the percentage increase in contracts, and there has been a 0% increase in bus contract costs.

Mr. Talbot referred to staffing in the BOE budget book, page 1, heading “Certified Staff”. Administration for FY 14-15 and FY 19-20 request, +1 over the 6 years. He asked about the difference in the .2 between last year and this year...20.80 last year and 20.60 this year.

Supt. Solan said this is for a person one day a week to assist on the special ed side which was pulled out of the budget.

Teachers – Mr. Talbot noted the reference to FY 19-20 (from FY 14-15) down almost 12 over 6 years; from FY 18-19 at 282.29 to this year it is +4 teachers to 286.29; this should be +1 but shows at +4. The school psychologist is under Pupil Personnel Services and goes to 34.97 from 32.97. Total certified staff is going to 399.56, a reduction of 1.2 staff. Non-certified staff is going to 658, +29 new personnel across certified and non-certified staff in the 6 year period. Mr. Talbot said 80% of the budget is salary and benefits, and going up 29 people over a 6 year period with declining enrollment, he said we can see why the budgets are where they are.

In response to this statement, Mr. Masciana noted the cited page with Instructional Assistant category going from 100 to 127.55; transportation (BOE bus drivers) 9.83 to 12.33; and said these are all driven by special education needs. The reality is that increase in special ed costs comes from a reduction in regular education funding, without touching the classroom and teacher counts, keeping class sizes stable. The

touched areas are building maintenance, replacement and new equipment, and office and instructional supplies. In other categories the budget is down, i.e. tech assistants, nurses, custodians, secretaries.

On the maintenance side, Mr. Talbot said everything is aggregated, and he asked if this is looked at individually, by school, to see which has the most efficiencies.

This is looked at by school and cost and Mr. Masciana said advised that Eversource transmittal costs have arisen, opportunities to pull done percentage of LED lighting, moving away from oil and running more natural gas, and removal of oil tanks.

In that regard, Mr. Talbot asked about looking at which schools are not up to percentage level of savings at other schools and why not.

Mr. Masciana said a report is received annually through the Ameresco contract, looking at whether the district is meeting the energy performance contract requirements.

Regarding the issue of the town cost to bus St. Bridget students, Mr. Bowman commented on the fact that 400+ students attend St. Bridget School. If they were not at St. Bridget's they would be in the school system. Therefore, the cost of busing these students is a savings and a bargain to the town and BOE.

Mr. Oris talked about FY 18-19, declining enrollment, and teachers going up +4 to 286. Special education teacher numbers have increased significantly over the last 5 years, along with an I.A. increase. He asked for explanation of the +4 teacher line item without inclusion of the special education and I.A. staff.

The number of 282 to 286 should be up to .5 and Mr. Masciana will check on the number and get back to the Council with an exact answer.

Supplemental Information – Mr. Oris talked about the data of salaries for different positions, and asked if they include medical benefits, pensions, etc.

This data is only salary items and Mr. Masciana the line item for Superintendent and Assistant Superintendent is the salary and 403B annuity payment. The budget is \$383,612. All medical benefits are budgeted under the medical benefits line.

The student enrollment summary (FY 18-19) was raised by Mr. Oris which shows a net three year reduction of 58 students, CHS enrollment reduction, and he asked about any reduction in high school teachers.

Supt. Solan explained the Science teacher position at CHS was reduced last year. CHS enrollment is not dramatically different at the high school this year; it is spread across all departments; and it is anticipated more 7th and 8th grade students will have a ripple effect in the high school.

As teachers are reduced, Mr. Oris questioned how support services are handled – administration etc. and/or reductions in-kind, i.e. fewer administrators.

This has been looked at (administrators) and Supt. Solan said this year it will be .2 reduction. There has been a substantial increase in mandates; administrators are providing more professional development, some of which is mandated; administrative burden has increased despite reduction in enrollment. There is and will continue to be close monitoring.

With regard to the building maintenance request, Mr. Oris asked about discussion of school consolidation and a long term plan to evaluate school modernization. He questioned where the BOE is relative to reviewing a modernization plan. He said spending money on maintenance must be done in context with a long term plan which everyone can support from a financial perspective; and the need to look at consolidation based on enrollment, i.e. redistricting. Mr. Oris asked if BOE has spent any time on these things, when there would be answers, and tying into a BOE analysis on the next modernization plan, holding healthy and mutual dialogue to determine if the plan is fiscally prudent for the community.

Supt. Solan agreed it makes no economic sense to spend money for substantial improvements on older buildings. The staff conducts walk throughs of all the school buildings/rooms. With special education programming and to not outplace students, programs are built inside the schools, taking up several classrooms across all grade levels. This is one of the challenges to be figured out...how to build space. The BOE initial plan included some consolidation. Supt. Solan commented on the hard work of the BOE and Council to make the Alexion building work, which was unsuccessful. The BOE Planning Committee meets on Thursday, March 28th, to discuss the modernization plan. Supt. Solan agreed the best way to move forward is for the BOE and Council to work together, find a new option, something that will work.

Stating his concern, Mr. Oris said whoever is used to evaluate the options should know the fiscal situation of the community, which cannot pay for a \$400M plan. Everything plays into the operating budget. To move the process forward, modernize and streamline the schools for the benefit of the students, these conversations must take place.

At this time, Supt. Solan said the BOE is not talking about upgrade with maintenance, and it is just maintenance and repair with the money requested.

In talking about the resistance to redistricting, Mr. Slocum said the special education student programs could be an obstacle, wanting to keep them in their home school. He asked if there are other reasons for not looking at redistricting. This is a consideration before another the town builds another school building.

Teacher Pension Contribution – Mr. Slocum noted this is looming for the BOE budget next year and the 3rd year. It is a large number and budget increase.

Supt. Solan said it is a proposal which, hopefully, will not happen or move forward. The BOE is realistic about the State pushing mandates and costs to local communities. This bill will be pushed to the town and BOE.

Mr. Slocum talked about looking at consolidation and a certain segment of the student population into one school.

Currently, many of these students are in their home school. Supt. Solan explained that special education programs are required for these students, sometime one-on-one at the elementary level. The BOE and administration wants to keep these students in town. This is a BOE consideration for arrangement of its facilities, retaining the high quality program experience for all students while being economically responsible.

Ms. Flynn-Harris commented on what we are facing from the State as incredible with impact on the town and BOE budget. It will be detrimental if the bill passes; the numbers will fluctuate and be worse than prior years. Ms. Flynn-Harris concurred with the BOE taking the lead on the master plan. She said Council is willing to talk about this matter, and has been waiting for discussion of the plan. Decisions on redistricting or consolidation must be a plan from the BOE, with a request for Council for support.

Stating his agreement with comments from other Councilors, Mr. Veleber mentioned some of the costs, student reduction, and future upswing with more students coming through the system in the next few years. If 100 students are added, he asked what the estimated costs would be and the effect on the budget request, more teachers, or they are filling in vacant spaces.

In response, Supt. Solan said one of the challenges is declining or increasing enrollment, and it is not a linear relationship. Cheshire has 13 grade levels, PreK to grade 12, and adding 100 students, it depends on which grade levels they enter. If it is equal across all grade levels, the district may not need any teachers. There is a look at the per pupil expenditure and budget implications for adding or reducing enrollment.

Mr. Veleber noted special education costs and needs are increasing, and are 25% of the BOE budget for about 530 students. He asked if the BOE expects continued increases in special education and students, and how this is factored into the budget, i.e. adding more I.A.'s if the trend continues.

That is a fair assumption and Supt. Solan said everyone wants to keep our special ed students in our schools. The district is aggressively looking into early intervention, and this is critical for student success. With two more school psychologists there is support for early intervention from an academic and social/emotional perspective. At the high school mental health is more of a factor.

Medical Trust Fund – Mr. Oris asked about the BOE trust fund and estimated year-end balance, and if BOE will be looking into the fund for more money.

Mr. Masciana explained the BOE request is \$400,000/4.71% increase over the current year. In the prior two fiscal years the BOE reduced this line item by \$900,000. Claims history ranges from a low of \$476,000 to a high of \$1M. New employee group is under the new structure, HSA base plan; to move up to PPO or HMO, employee must buy out for this coverage; there is a higher contribution in the plans; and co-pays for prescription drugs.

The \$400,000 request has to do with claim rate and contributions. This fiscal year the BOE budgeted less than what was needed to keep up with claims. The trust fund balance will come down; it is at \$3.5M; there is 3.5 months of claims funding; and without \$400,000 the BOE will go through another year where contributions will be below claims, pulling down the trust fund balance. The BOE is looking at changing carriers (current carrier is Anthem) and reduction in administrative costs. The final numbers are in; there will be a meeting and decision made; and finding of savings before the budget is finalized.

With the \$400,000 contribution in this budget, Mr. Oris said the BOE is still not funding the estimated run rate against the trust fund. At the end of the year, he asked about the estimated 3.5 months of claims based on the estimated run rate, with the \$400,000 contribution.

Mr. Masciana believes it will be in the 3.5 to 4 month range for claims. Mr. Masciana cited the claims history, FY 18-19, which was \$772,161 average monthly claims (expected = \$725,000). Claims are \$50,000 per month out of the trust fund if the \$400,000 is funded, with some offset by stop loss reimbursement. He will provide the projections to the Council.

School Security – Mr. Oris wants to know what is being done on the operating side with school security, which is an important issue...as he wants to make sure everything is handled properly in the operating budget. He noted there was BOE discussion about hiring a full-time security person, which did not get passed the BOE.

From a straight operating budget point of view regarding school security, Mr. Masciana said there is an approved building protection system by Sonitrol. There are monthly costs for lobby visitor management system; maintenance and repair improvements to be made...but not to the level of capital management expenditures, i.e. replacement of failing doors and windows. The bigger school security improvements are in the capital budget approval made last year, \$1.90M, and approved at referendum. BOE is working with the PBC, preparation of an RFP for architect to help with portions of this project, and further video surveillance improvements.

Mr. Oris' understanding is that the BOE has outside consultants who determine good security is in place. He asked if there is anything in the proposed budget asking for an outside consultant to make sure things are being done properly. He understands the BOE is working with a local FBI agent in this regard.

In the proposed budget, Mr. Masciana said there is nothing budgeted for a securities services consultant, and the person working with the BOE (former FBI agent) is assisting without charge. There was discussion about a school security manager which is not reflected in the budget. It is being discussed, and will depend upon Council approval of the BOE budget.

Supt. Solan explained that security is two-fold...there is physical plant security, how to intervene pre-security, how to stop situations before they happen, and responding after a situation happens. The FBI behavior analyst has been helpful at no charge to the school district. The BOE administrators and mental health professionals have received training from the ALICE administrative team (seen in the professional development line item).

The staff that went through ALICE training; they are ALICE certified, and this training will flow through the district without additional cost.

When doing capital improvements, Mr. Oris said there are professionals involved in the school security. He asked where there is funding in the operating budget for security...i.e. funds to make sure we are optimally using all the things in place...and on top of new things to be done for safety of the students. Mr. Oris cited security consultants on call, ongoing training, and things in place to insure the system is working properly...or do we need to think more about this issue.

Supt. Solan stated one proposal evaluated was potential for capital improvements reimbursed on a percentage from the State. When the funds come to the town, the BOE consideration was to solicit these funds for consulting services. In terms of who is used to evaluate the school security, the BOE works closely with CPD and CFD...but there could be benefit from more security consultation. This has been solicited from professionals who have provided their services at no cost.

With regard to the services from the resident who is an experienced FBI agent, Mr. Oris thanked him on behalf of the community.

Mr. Masciana stated if a need came up in the course of the year which had to be addressed, the BOE would find the funding within the budget.

Mr. Talbot asked about the communications plan, cost, and if it is in the budget.

The cost of the entire program to the end product was \$8,000. Supt. Solan said it is reflected in the FY 18-19 budget. Moving forward, the BOE and administration is trying to improve communications by adjusting what is in the current communications budget, target goals identified, work with ACES, researching website development.

The issue of the activity fees and projected revenue was raised by Mr. Veleber. He also asked about any reduction in fees for groups using BOE facilities, or continued use of past fees.

In the revenue section, page 1, Mr. Masciana pointed out \$10,000 revenue, custodian fee reimbursement, from the wage account. The issue of reducing the fees was a BOE discussion item, and Mr. Masciana said the budget is not changed to reflect any reduction in custodian charges.

Mr. Oris said the difficulties are driven by the cost of janitorial services, and this is not reflected in the \$10,000 line item. The BOE is carrying the same budget for janitorial services...the same number as in the past.

That is correct and Mr. Masciana said there are some adjustments for salary increases.

According to Mr. Oris, the issue is where and when the BOE requires a janitor to monitor a building, at \$55 to \$65 an hour. That is the financial burden borne by outside user groups. There is no net effect to the budget with these fees and payment for janitorial services.

(Ms. Nichols left the meeting at 8:45 p.m.)

BOE Chairperson Hallen addressed the Council, expressing appreciation for their input on the BOE budget. Ms. Hallen supports the BOE budget, which is a complicated budget, with unprecedented special education costs, and people moving in and out of the district. The district has taken many steps to make things run more efficiently, reduce costs, and the burden on taxpayers. She thanked Supt. Solan and Mr. Masciana and BOE members for their hard work on this budget. The primary focus is to create the best situation and experience for the students, and insure their safety. The BOE will go forward with and lead with a plan for school modernization.

Anne Harrigan, BOE Vice Chairperson, read a prepared statement into the record of the meeting. She requested the Council to fully support the BOE budget for FY 19-20, and thanked Council for consideration of the BOE budget.

Mr. Slocum commented on Facebook evolving into a nightmare and asked about students using technology, parking cell phones at the door.

Regarding this issue, Supt. Solan said CHS classrooms have shoe holders on the door for students to park their cell phones. At Dodd there are no cell phones allowed. CHS students have more opportunity for personal use of technology. There is frustration about cell phones, and Supt. Solan said their use will not go away...kids must be education about benefits and challenges of cell phone use.

4. ADJOURNMENT

MOTION by Ms. Flynn-Harris; seconded by Mr. Talbot.

MOVED to adjourn the meeting at 9:08 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk