

**SHELTON BOARD OF EDUCATION
FINANCE COMMITTEE
SPECIAL MEETING
JUNE 16, 2010**

Chairman Arlene Liscinsky called the meeting to order at 5:14 p.m.

Pledge of Allegiance

Roll Call

Approval of the Agenda:

ACTION: Arlene Liscinsky moved to approve the agenda.
Kathy Yolish seconded the motion.
A vote was taken with all in favor. Motion carried.

In Attendance: Committee Members: Chairman Arlene Liscinsky, Win Oppel (5:30), Kathy Yolish.

Absent: Michael Pacowta.

Also in Attendance: Allan Cameron, Director of Finance; Superintendent of Schools, Freeman Burr; Board of Education Members: Chairman Timothy Walsh, Kate Kutash, Tom Minotti (6:00); SEA President, Deborah Keller, and Judson Crawford, Board of A&T.

I. MINUTES OF THE FINANCE COMMITTEE SPECIAL MEETING OF MAY 19, 2010.

ACTION: Kathy Yolish moved to approve the minutes of the May 19, 2010 Finance Committee Special Meeting.
Arlene Liscinsky seconded the motion.
A vote was taken with all in favor. Motion carried.

II. REVIEW AND APPROVAL OF FINANCIAL REPORTS

1. Object Summary (L2) for 2009-2010 School Year

Salaries: The salary journal entries through May 2010 are complete. 81.4% of the certified salary budget has been expended compared with 82.6% at this time last year. 155.4% of the Temporary Certified -Substitutes account has been expended vs. 150.1% last year. Temporary Certified-tutor account has been expended 148.4% this year vs. 157.2% last year.

It was explained that in the past over expenditures in the substitute and tutor accounts would have been covered by under spending in the certified salary account and the Special Education Excess Cost Reimbursement. This is not likely to occur this year as the salary account does not have a surplus in it and the State has informed the BOE that Excess Cost Reimbursement will be reduced by approximately 25%.

In May the State informed the BOE that the Excess Cost Grant would be reduced by approximately \$752,000. Approximately \$500,000 of that will be used to cover the anticipated overages in the substitutes and tutor accounts.

In the Non-Certified payroll, 89.8% of the budget has been expended compared to 94.3% last year. A surplus of \$200,000 is expected because of mitigation efforts.

Benefits: May health insurance, FICA and Merit pension have been posted. 84.9% of the budget has been committed vs. 84.3% last year at this time. A surplus of \$450,000 is expected in this family of accounts.

Instructional Materials: 82.7% of the budget has been committed compared with 96.6% at this time last year. The elementary schools have used approximately 80.8% of their available budgets, SIS approximately 97% and SHS approximately 78%. Special Ed has used approximately 40.2% of its budget. Office of Instruction has used approximately 56.0%. Pilot programs were not done. A surplus of \$150,000 is expected for this family of accounts.

Program Improvement & Staff Development: 70.9% has been committed to date vs. 91.2% at this time last year. The Program Improvement budget is 69.2% committed. This represents all three professional development days. The under budget expenditures demonstrates the effectiveness of the spending freeze. Staff travel is 77.1% committed vs. 108.5% last year. A surplus of \$33,000 is expected.

Tuition: \$2,339,378 has been committed. Tuition is over budget \$1,182,835. This is likely to exceed the Special Education Excess Cost Reimbursement. Opportunities to return some students to Shelton are being investigated. A \$980,000 shortfall is expected.

Transportation: Regular Ed transportation is over budget by \$38,432. Special Ed transportation is over committed by \$309,762. This is approximately \$115,000 less than what was reported last month. Approximately \$115,000 was charged to the ARRA grant. A \$310,000 shortfall in this family of accounts is expected. Discussion followed on ways to save. Al Cameron explained that districts have partnered in the past, and Shelton has done so in the past. Further discussion on saving transportation dollars. Al mentioned that there has been an application from Susannah Wesley School for transportation to kindergarten.

Administrative Expenses: Telephone and Internet services have been encumbered. Non-instructional supplies have been ordered. Most dues and fees have been paid. The balance of the items is encumbered throughout the year as needed. 76.0% of the budget in this family of accounts is committed vs. 90.0% last year. A \$55,000 surplus is expected.

Heat & Utilities: The budgets have been encumbered. Two CO₂ projects are completed awaiting final acceptance. These involved occupancy sensors in SIS and SHS. The projects have significant grants and will pay for themselves in approximately 2.5 years.

181,113 gallons of oil have been received through May 31, 2010 vs. a 3-year average of 252,913. Average price per gallon is \$2.17.

SHS used 16.5% less than the three-year average electric usage through April. System-wide usage is 9.1% less than the three-year average. Energy savings initiatives have realized an estimated \$122,400 savings to date. A \$300,000 surplus is expected in this family of accounts.

Building and Equip. Services: 82.7% of the budget has been committed vs. 98.8% last year.

Equipment Repairs are 103.9% committed vs. 80.2% at this time last year.

Building Repair and Maintenance has a revised budget of \$356,780 and is 72.7% committed.

A \$100,000 savings is expected.

Service Contracts-79.1% committed vs. 125.9% last year.

Rentals-109.3% committed vs. 111.6% at this time last year.

Custodial Supplies- 81.2% committed vs. 87.2% at this time last year.

Maintenance Supplies- 62.6% committed vs. 90.8% at this time last year.

A surplus of \$160,000 is expected.

It was noted by Mr. Burr that essentials were provided.

Support Services: 149.6% committed this year vs. 118.5% last year. Special Ed Services is over budget by \$254,303 due to outsourcing of OT, PT and speech therapy services. These expenses are likely to exceed the Special Ed Excess Cost Reimbursement. Opportunities are being investigated to provide these services more cost effectively. Legal expenses are approximately \$41,387 over budget. A \$310,000 shortfall is expected. Discussion followed regarding Special Education outplacements.

The re-organization of Special Education is expected to be in place next year. The new position will be responsible for designing and implementing programs. The goal for design and implementation is around January. The goal is to begin to provide programs for students with disabilities. This could bring students back to Shelton.

Equipment: Committed 24.7% of the budget vs. 90.2% at this time last year. A \$195,000 surplus is expected.

It is expected that when all of the shortfalls and surpluses are taken into account, there will be a budget shortfall of approximately \$55,000.

The balance in the student parking account as of May 31st was \$27,300.00.

The balance in the bleacher account as of May 31st was \$196,288.32. That will drop after the \$42,500 payment for the field is made for 2009-2010.

ACTION: Win Oppel moved to approve the Object Summary (L2) for the 2009-2010 school year.
Kathy Yolish seconded the motion.
A vote was taken with all in favor. Motion carried.

2. Check Registers and Cash Disbursement Journals

ACTION: Kathy Yolish moved to approve the Check Registers and the Cash Disbursement Journals for May 13, 2010 (2009-2010); May 19, 2010 (2009-2010); and May 27, 2010 (2009-2010).
Win Oppel seconded the motion.
A vote was taken with all in favor. Motion carried.

The Petty Cash Summary and the Reconciliation to the City were reviewed.

III. OLD BUSINESS

1. Review of 2009-2010 Year to Date Expenditures, including an Update on the Effectiveness of the 2009-2010 Budget Mitigation Strategies. Discussed throughout the L2 presentation,

IV. NEW BUSINESS

1. Update on 2010-2011 Budget

Al Cameron brought the Committee up to date on the 2010-2011 Budget. He explained that base on the \$63,100,000 budget approved by the Board the following actions have been taken.

- a. Approved budget posted on BOE website,
- b. 365.4 teaching positions have been allocated, 51 teaching positions were lost as follows: 25 retirements, 4 resignations, 22 reduction in force. Because of savings from pay to play, Central Office reorganization, health insurance, early retirements, and the City assuming responsibility for some of the unemployment obligation, 20 positions were added back. Teacher contracts were issued on June 18th.
- c. Funds have been allocated to all of the schools and other cost centers so they can begin to make their textbook and supply purchases for next year. The orders go through the normal approval process and are held for mailing until July 1st.
- d. Ken LaCroix, Bill Banfe and Paul Descoteaux are finalizing their plans to save \$200,000 in the Maintenance and Custodial dept.
- e. The Dept of Labor's Rapid Response Team is scheduled to come to SHS on July 21st to meet with employees who have received lay-off notices. There will be no secretarial lay-offs due to 4 retirements. There are two planned position eliminations.

2. Consideration of the Committee to recommend that the BOE approve the proposed "Investment Policy Statement" for the Shelton Board of Education Group 403b Plan.

We meet on a regular basis to review the fund status. The last piece of the 403b process implemented last year is to approve the IPS. This set of rules protects the BOE.

ACTION: Win Oppel moved to adopt the Investment Policy Statement.
Kathy Yolish seconded the motion.
A vote was taken with all in favor. Motion carried.

3. **Other Business**

Arlene Liscinsky brought up for discussion a CES meeting that she recently attended. The meeting pertained to a disconnect between the State Board of Education and the legislature and grants. Freeman Burr felt that grants are not always in the best interest of the locality. He mentioned that students would be able to take on-line recovery courses if needed. Further discussion pertained to magnet schools. Kathy Yolish suggested working with other towns to share the cost of grant writing.

V. **ADJOURNMENT**

ACTION: Win Oppel moved to adjourn the meeting.
Kathy Yolish seconded the motion.
A vote was taken with all in favor. Motion carried. The meeting adjourned at 6:45 p.m.

Respectfully submitted,

Faith B. Hack
Recording Secretary