

**EAST LYME BOARD OF FINANCE
SPECIAL MEETING MINUTES
BUDGET REVIEWS – FY 2015-2016
Monday, MARCH 30th, 2015**

Members In Attendance: Steve Harney, Chairman
Lisa Picarazzi, Secretary
Camille Alberti
Steve Carpenteri
Beth Hogan
Steve Kelley

FILED IN EAST LYME
CONNECTICUT
APR 7 2015 SAT 2:15 AM (PM)
B. Moran
EAST LYME TOWN CLERK ATC

Also In Attendance: Mark Nickerson, First Selectman
Anna Johnson, Finance Director
Nancy Moran, Registrar of Voters
Gary Lakowsky, Chairman, Smith Harris House Commission
Timothy Hagen, Board of Ed Chairman
Dr. James Lombardo, Superintendent of Schools

Absent: No One

A. Call Special Meeting to Order

Chairman Harney called this Special Meeting of the East Lyme Board of Finance to order at 6:30 PM.

B. Pledge of Allegiance

The Pledge was observed.

C. Delegations

Mr. Harney called for Delegations.

There were no delegations.

D. Old Business

a. Any Outstanding Information

There was nothing at this time.

E. New Business

a. Budget Reviews – FY 2015-2016

◆ **Registrars (110) – Nancy Moran, Registrar of Voters**

Ms. Moran noted that the big increase here was the phones – they used to be \$40 & \$45 per month and now are \$81 & \$96 per month. They need to have them as they are used for the regular elections and primaries. They have looked into the cost of turning them on and off as needed and the cost for that is \$75 per phone to turn them on and off.

Mr. Nickerson said that they are going to see if they can figure out a way to share some lines that are already in the building.

◆ **Smith Harris House Commission (134) – Gary Lakowsky, Chairman**

Mr. Nickerson noted that the Curator position at \$5000 is covered in a revenue line so that it is not an expense to the Town. The utilities in this budget show an increase just as they do throughout the Town. He said that Mr. Lakowsky is present if they have any questions for him.

Ms. Hogan asked how they did the Curator position before –

Ms. Johnson said that they had done it as a special appropriation before because it was not in the budget. Now it is in the budget.

◆ **Board of Finance (126) – Anna Johnson, Finance Director**

Mr. Nickerson noted that there is a \$5000 increase for the Town audit.

Ms. Johnson explained that if they do an RFP for an auditor that the cost would increase so they put the money in there.

Ms. Alberti asked if the cost of doing the RFP would equal or come close to the \$5000 that they have put in the budget.

Ms. Johnson said that it would come close to that amount.

Mr. Harney asked if they are under contract for this year.

Ms. Johnson said that the contract ended this year.

Ms. Picarazzi said that it seems prudent to put this out to bid since it has been five years.

◆ **General Government & Miscellaneous Benefits (114) – Mark Nickerson, First Selectman, Anna Johnson, Finance Director**

Mr. Nickerson said that this area is comprised of Personnel Services; Legal Services; Services - Contracted Operations and Operating Expenses. He noted that Worker's Compensation is up by 30.96% and Health Insurance is up by 10.99% although the final numbers on insurance will not come in until late April. He cautioned that we have had many large claims over the \$125,000.

Ms. Johnson noted that we have a three year plan.

Mr. Nickerson said that this is the first full year with the new insurance company – Aetna and noted that they will have to look at plans in depth as there are a number of things happening with Obama care that will drive up our costs significantly. Also, there are three unions that have contract negotiations starting up. There is also a new Landmark application in process.

Ms. Johnson explained that they have a long-term employee retiring and have accounted for it in the budget.

Ms. Hogan asked if that is usual practice.

Ms. Johnson said that they have done it as they have had notice of this person retiring which has allowed them the time to put it in the budget. It is not typical that it happens this way.

◆ **Contingency (120) – Mark Nickerson, First Selectman, Anna Johnson, Finance Director**

Mr. Nickerson explained that this was increased due to the negotiations with three of the four unions within the Town. He said that they also added \$45,000 for the Resident Trooper salary to be paid at 100% in the event that it does become something that the State mandates for this fiscal year.

Ms. Picarazzi asked why the number is so large, as it has doubled and then some.

Ms. Johnson said that one of the largest bargaining units is up for negotiation with 65 members.

Ms. Alberti asked about the Operating Contingency at \$145,000 and if this was the line item that they used when they needed the police radios on a special appropriation.

Ms. Johnson said that was correct.

Mr. Kelley asked if the \$145,000 is based on the 1% best practice.

Ms. Johnson said yes.

Mr. Harney asked how much of the current year \$130,000 would come back.

Ms. Johnson said that she thought that there is about \$28,000 but there is also a request before the Board of Selectmen for some of it.

◆ **Capital (724) & CNRE – Mark Nickerson, First Selectman, Anna Johnson, Finance Director**

Mr. Nickerson synopsised the Capital items noting where the Board of Selectmen had made reductions.

Ms. Johnson explained the \$202,000 for the Town-wide revaluation that is necessary as they have cut it in past years budgets and now they need to have it as the reval is next year. She noted that this is a statistical revaluation and not a full one.

Mr. Harney said that the statistical one costs \$294,000 (essentially a drive-by) and is not a full reval; then asked what does a full one cost.

Ms. Johnson said yes, this is a statistical one and the full one costs about a half million dollars (\$500,000). She noted that they would try to combine with Waterford for some savings as they had done with the last full reval which was done a year apart – us first then Waterford.

Mr. Kelley said that he would like to see the priorities for the items that are listed.

♦ **Board of Education (999) – Timothy Hagen, BOE Chairman, Dr. James Lombardo, Superintendent**

Mr. Hagen, Board of Ed Chairman said that he had a couple of opening comments. He introduced the new Superintendent of Schools who would be taking over from Dr. Lombardo on Wednesday; Jeffrey Newton. They also have a new Business Manager taking over for Mr. Meltabarger who left for another position. He noted an article that had appeared in the newspaper that they had been provided with a copy of citing the 'edge' that they have in education and how they do not want to lose it. Lastly, he said that he feels that they have done their best in bringing forth a budget that shows a balance in education while also being fiscally responsible.

Dr. Lombardo, Superintendent of Schools reflected on his six years serving as the Superintendent of the East Lyme school system and how the mandates have changed the education process. They are still involved in the teacher evaluation process as mandated. He thanked all of the staff and administrators who work to keep the school system the best that it can be. He said that he has enjoyed working with all of them. He provided a quick overview of the proposed budget for 2015-2016 (copy attached). He said that if everything was kept the same from the current year that the budget would be up by 3.2%. The 3.95% request represents average salary adjustments for administrators, teachers and other employee groups and; 2 FTE new reading teacher positions to replace two existing classroom teaching positions, 1 FTE assistant principal for the elementary schools, 1 teacher leader at the middle school and 1 FTE data manager position. Page 8 shows that they expect enrollment to decrease by 88 students by the end of the year. He noted the NESDEC report on enrollment projections – five years from now they project enrollment to be around 2379 students from today's 2796. How accurate all of it is remains to be seen. He noted changes to the electric and other utilities and said that they saved over \$4M over the years on these items and the various upgrades but they are now out of big ideas such as these. He said that he hopes that they will support the budget.

Mr. Harney opened the floor to questions.

Mr. Kelley said that last year they had spoken about the mandated teach evaluations and asked what percentage complete are they at – or will they be at the end of this school year.

Dr. Lombardo said that they are 33% complete and the teachers that he has spoken with have indicated that they will not make it to 100% (with the exception of Niantic Center School) by the end of this year. They will probably be 66% complete.

Mr. Kelley asked what the State response has been with regard to the 66%.

Dr. Lombardo said that the State has been unresponsive; and the mandate is the same – this is the first year that they were to meet the 100%. He said that he has discussed with the staff that there is no point to rushing through and cutting corners on the evaluations just to complete them as it does not help the process.

Mr. Kelley asked if they have meetings where they get together to discuss where they are with this process.

Dr. Lombardo said that they do.

Ms. Picarazzi thanked Dr. Lombardo for all of his hard work and all of the teachers and staff for their hard work and support. She asked about the projected revenue from the Chinese program (\$190,000) – and said that she had expected to find it on the Town revenue sheet but it was not there.

Dr. Lombardo said that with prior Board of Finance Chairs that he had explained that he has used it to reduce costs just as they do with the Coastal Connections program.

Ms. Hogan said that she would like to see all of the items on a revenue line even if it is a wash.

Dr. Lombardo said that he thinks that when people do a program and it is successful that they should not discourage them from doing it by saying that the revenues that they raised will go to the Town.

Ms. Hogan said that she still wants to see it in a revenue sheet and thinks that it recognizes the people who were successful at doing this program.

Dr. Lombardo said that the \$190,000 revenue from the Chinese program comes from their fee and is used for the English as a second language fee and for the stipend that is given to the families that take the students into their homes. Some is also used for a coordinator who helps with the acclimation of the students to their new environment.

Mr. Harney asked about the formula for the students coming from Salem and what happens to it in the face of declining enrollment.

Dr. Lombardo said that Salem is looking at the same percentage of decline as we are so if there are five less in Haynes over five levels you are not going to reduce the number of teachers or classes.

Mr. Harney asked if there are greater reductions how it would affect us considering that there are fixed costs for the buildings, etc.

Dr. Lombardo said that the tuition would go up at the same rate as the declining enrollment.

Ms. Picarazzi asked when they re-negotiate the cost per student with Salem.

Dr. Lombardo said that every year it goes up and added that they have just finished drafting the new contract to replace the 20 year old one.

Mr. Kelley said that projected revenue for 2013/2014 was \$12M but they came in with \$11,757,068 which is a deficit of \$264,197. He asked how they recovered from that.

Dr. Lombardo said that they have to freeze about \$450,000 of the supplies budget each year until near the end of the year to make sure that they make it through the year. They tighten the belt on some things to make it work.

Ms. Picarazzi said that if they can absorb a \$264,000 shortfall that it would seem that there is a lack of transparency as the figure could be under or over from year to year.

Dr. Lombardo said that some of the federal funds are not totally expended and are carried over to the next year which helps.

Ms. Picarazzi said that it still does not seem transparent to her.

Dr. Lombardo said that he could not explain it without having all of the information to review – he said that they would have to do an analysis and get back to them with the information.

Ms. Picarazzi asked about the Magnet School costs and if they should re-evaluate including them in the student population figures.

Dr. Lombardo said that they are not included in the classroom projections.

Ms. Picarazzi noted that the number of students in the Magnet School program is 55 and that they have stated that it is an increase from the previous year - however: she said that she has that information from the previous year with her and that they had 77 students which would be a decrease of 22 students, not an increase.

Dr. Lombardo and Ms. Burdick said that they would have to get back to them on that.

Ms. Hogan asked the cost for the proposed Assistant Principal.

Dr. Lombardo said that based on negotiations – around \$124,000 with another \$15,000 for benefits.

Ms. Hogan asked the cost for the Assistant Teacher.

Dr. Lombardo said that is budgeted at \$58,000 with another \$15,000 for benefits.

Ms. Hogan asked about the two reading teachers and if that was going to be done through attrition.

Dr. Lombardo said yes – they have a number of retirements with many of them at the higher end. The reading teachers are \$58,000 each with the \$15,000 each for benefits.

Ms. Hogan asked if the Data Manager was \$65,000 plus the \$15,000 for benefits.

Dr. Lombardo said yes.

Ms. Hogan asked what he meant by 'freezing' money when he had mentioned it earlier.

Dr. Lombardo said that there is \$952,000 in the budget for books, supplies, etc and that he 'freezes' somewhere around \$400,000+ until it gets to a point in the year when he can release it – but this puts them on a cycle of buying in the end of this fiscal year for next year as this is the only place that there is any room to do this.

Ms. Hogan said that they added one bus and asked what the cost of doing that was and if it would be offset by the cost of not needing the monitors.

Dr. Lombardo and Ms. Burdick said that the cost of one bus for the year is \$49,631.

Ms. Picarazzi asked what percentage full would be say the buses run at.

Dr. Lombardo said that they will get four runs out of the one bus. The high school runs are half empty because a lot of those kids drive to school.

Ms. Hogan asked about the extra hours for cafeteria monitors and the cost.

Dr. Lombardo said that it cost \$20,000 to use monitors for that purpose.

Ms. Hogan asked the cost of the extra security personnel in the AM.

Dr. Lombardo said that it is for an extra hour in the AM and would be \$36 per day.

Ms. Alberti thanked everyone for their effort on the budget and said that she has been here quite a few years and has seen a lot of positive things done with a 2% increase – such as: new buses, new technical upgrades, full day kindergarten, new turf field, new tennis courts, etc. With this in mind she said that she has to question it when they say that they will suffer.

Dr. Lombardo said that he does not know where the district is going to go with creativity as to keep the budget flat – the increase is 3.2% so they would probably have to look at the new positions however; that will be Mr. Newton who will have to make the decisions on this. He said that he does not want to cut corners on the mandates as that is not the way that they operate here.

Ms. Alberti said that with the reduced enrollment – some 300 less in the past five years – at what point do they reduce teachers.

Dr. Lombardo said that they have started to do that but they have almost always been able to do that through attrition. He said that they will have a better picture of where they stand in a few weeks.

Ms. Alberti noted that last year he mentioned that there were three teachers who received awards and asked about this year.

It was noted that two coaches were nationally recognized, a science and biology teacher were recognized, the swimming team was recognized and both the men's and women's soccer teams were recognized.

Ms. Alberti noted that the newsletter was misleading in saying that east Lyme was #12 as in 2014 they were not rated at all.

Dr. Lombardo explained that they are offering less AP classes right now so they have less opportunity to be rated.

Ms. Alberti said that this is a hefty budget and that last year she had asked about re-districting and he said that it was possible and that it would save around \$500,000. However; it was not done and while she can agree with some of the issues she said that she finds it difficult to not re-district and pay for schools to run with declining enrollment. She said that she thought that she was very clear and specific that it should be considered.

Dr. Lombardo said that neither of them operates in a vacuum and there are other people who weigh in on all of this and they want to gather all of the information to present the whole picture.

Ms. Alberti asked what they lose in State funds (on the potential \$90M project) with the declining enrollment.

Mr. Hagen said that there are a number of issues that are considered and that they are working on the plans to be able to present everything to the entire community.

Dr. Lombardo added that the time frame that they are looking at is next winter to have the vote and not during the budget process or election voting.

Mr. Harney said that he had a question for Mr. Hagen regarding the calendar from the Board of Ed on the budget process and the minutes of the March 9, 2015 meeting where they passed the budget. He said that he saw what they said they would do if they did not get the 4.75% and that there was a letter read by Mr. Littlefield submitted by Mr. Hagen (as he could not be present for the meeting) saying that they could not receive less than 3.2%. There was also a letter from Ms. Nickerson read as she could not be present saying that the increase should not be more than 3%. Further, the vote on the 3.2% was a tie vote (there are 10

members on the Board and 8 were present). If they put forth a 3.2% increase 6 out of the 10 members would have passed it. He asked how he would explain that.

Mr. Hagen said that it is hard to say what would have happened when they went around and asked for input from everyone and he was not there so he could not say how it went.

Ms. Hogan said that she was there and it was a spirited discussion with no one being right or wrong. She said that she thought that it was interesting in the end that they said that they would be unified in support of the budget.

Mr. Harney said that the spirit of his question is that he looked the letter from Mr. Hagen regarding 3.2% increase and Ms. Nickerson's of not more than a 3% increase.

Mr. Hagen said that the Board made a decision on the 3.95% increase and that he stands behind it.

Ms. Picarazzi said that she appreciated everyone and what they do and wants the kids to get the best education but without line item veto – it is hard to see where the money goes and where to cut. She said that she would like the information on the \$264,000 revenue analysis and the Magnet School enrollment decrease of 22 students.

The Board thanked Dr. Lombardo for his service and wished him well in his retirement. They thanked everyone who works in the education system for all that they do for the system.

(A five minute break was taken here)

b. Budget Deliberations – Start Discussion

Mr. Harney asked for comments.

Mr. Kelley said that he is not ready to do this and wants to take a good look at everything.

Ms. Alberti said that she would like to discuss the approach that they would take on deliberations.

Mr. Harney agreed and said that he would prefer that they give an overall number to the Town just as they do with the Board of Ed. They can work on this at their next meeting and finish up with a brief meeting on April 13, 2015.

Ms. Alberti said that she will go on record as approving what the majority approves on April 13, 2015 as she will not be in attendance for that meeting.

F. Public Discussion

Mr. Harney called for any comments from the Public.

Karen Rak, 27 Black Point Road said that she would like to see a flat budget and that anything is possible – The Board of Ed has extra curricular activities that are over \$1M and it probably exceeds the library budget and they hear for years about how they will start a revenue stream but it never happens. A strong nudge on this might help them do it. There are also some programs on the Town side that should be totally self-supported so that the people who want them pay for them. It is time that taxpayers get some relief as they have for many years; some for 45 or more years paid for others children and programs and not received a break at all. It is time that they get a break.

G. Board Comments

Mr. Harney called for any comments from the Board members.

Ms. Hogan apologized for cutting in when Ms. Rak had the floor. She said that even in home budgets – things go up, oil, electricity, etc and that she thinks that it is impossible to have a flat budget although she does agree with it philosophically.

Ms. Alberti said that her line of thinking is that because they have so little control over what gets negotiated – do they say no and force the hand or what. She said that she does not think that they should be spending money such as the Gateway money before we get it and that we should not be adding more debt.

Mr. Harney said that in reading the Board of Ed minutes from the March 9, 2015 meeting that he thought that they would have pushed the budget out with a 3.2% increase.

Ms. Hogan said that it was hard to say as Mr. Hagen had not attended that meeting – perhaps they could have asked Mr. Littlefield how it went.

H. Adjournment

Mr. Harney called for a motion to adjourn.

****MOTION (1)**

Ms. Alberti moved to adjourn this Special Meeting of the East Lyme Board of Finance at 9:44 PM.

Mr. Kelley seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary

East Lyme Public Schools



Board of Education Proposed Budget for 2015-2016

Presented to the Board of Finance on March 30, 2015
by Dr. Tim Hagen, BOE Chair and Dr. James D. Lombardo, Superintendent

Attachment BOE Spec. Mtg. 3/30/15 Submitted.

2015-2016 Budget Priorities Aligned with ELPS Long Range Plan

Ensure that Our Students and Staff Work and Learn in a Safe and Healthy School Environment:

- Support safe schools plans and maintain school security;
- Reduce bus crowding at the elementary and middle school levels, and provide necessary security procedures; *(already implemented half way through this year)*
- Increase security personnel hours at the high school.

Ensure that Our Students are Engaged and Challenged to Achieve a Personal Vision of Success:

- Maintain resource support for instructional programs; *\$950,000 budget*
- Implement the fifth year of a hardware and software replacement schedule that maintains student and staff access to educational technology;
- Make necessary technology enhancements to ELPS network infrastructure;
- Reinstate elementary global language program; *Chinese lessons twice a week*
- Increase reading support in the elementary and high school levels. *refocus 2 classroom positions w/ 2 reading classroom position*

2015-2016 Budget Priorities Aligned with ELPS Long Range Plan

Ensure that Our Students Are Supported by the Best Leadership Practices:

- Ensure adequate administrative resources to address the requirements of the *Asst. Principal position Teacher position* new state-mandated teacher and administrator evaluation systems;
- Provide necessary data entry and analysis support to address the significant increase in state data collection and the instructional need to collect and analyze student learning data.

*Also → data entry position
at \$25,000 to \$28
teachers*

Ensure that Each Child is Supported by Caring Adults:

- Maintain reasonable class sizes that reflect the current research on class size;
- Ensure adequate support services for all students (social workers, counselors, paraprofessionals). *Maintained*

FY 2015-2016 Proposed Budget Overview:

- Budget represents a **3.95%** increase to include:
 - * Average salary adjustments of **3.17%** for administrators, **3.0%** for teachers, and an estimated **3.0%** for other employee groups (one in negotiations). *3 negotiations over next 12 months same health ins. as Town*
 - * **2.0 FTE** new reading teacher positions replace two existing classroom teaching positions; **1.0 FTE** assistant principal for the elementary schools, **1.0** teacher leader at the middle school, **1.0 FTE** data manager position.

Budget Growth Over the Past 5 Years

	<u>Increase</u>	<u>% Increase</u>
FY 12	40,494,180	576,583 1.4%
FY 13	41,214,544	720,364 1.8%
FY 14	41,941,734	727,190 1.8%
FY 15	42,792,767	851,033 2.0%
FY 16	44,802,787	2,010,020 3.95%

Average increase between FY '11 and FY '16 2.2%

A Few Bits of Related Information



- Changes in Enrollment
- Budget Calendar

Enrollment Changes (as of 12/31/14)

<u>Gr</u>	<u>FY15</u>	<u>FY16</u>	<u>Change</u>
K	134	134	0
1	172	134	(38)
2	163	172	9
3	181	163	(18)
4	195	181	(14)
5	204	195	(9)
6	218	204	(14)

Enrollment Changes (as of 12/31/14) (Continued)

<u>Gr</u>	<u>FY15</u>	<u>FY16</u>	<u>Change</u>
7	229	218	(11)
8	215	232	17
9	299	265	(34)
10	244	299	55
11	250	244	(6)
12	275	250	(25)
13	<u>17</u>	<u>17</u>	<u>0</u>
	2796	2708	(88)

2015-2016 BOE Budget Calendar

- Jan 12** BOE Regular Meeting – Superintendent’s Presentation of First Draft of Proposed ELPS Budget for 2015-2016 to BOE
- Jan 20** BOE Special Meeting – Budget Discussion
- Feb 5** BOE Special Meeting – Budget Discussion (rescheduled from Feb 2 due to inclement weather)
- Feb 12** BOE Regular Meeting – Budget Discussion (rescheduled from Feb 9 due to inclement weather)
- Feb 23** BOE Public Hearing (rescheduled from Feb 9) and BOE Regular Meeting
- Mar 9** BOE Adopted Budget
- Mar 30** BOE Budget Presentation to Board of Finance