

**EAST LYME BOARD OF FINANCE
SPECIAL MEETING MINUTES
BUDGET REVIEWS – FY 2016-2017
Thursday, MARCH 17th, 2016**

FILED IN EAST LYME
CONNECTICUT
Mar 23 2016 AT 10:05 AM/PM
[Signature]
EAST LYME TOWN CLERK

Members In Attendance: Steve Harney, Chairman
Lisa Picarazzi, Secretary
Camille Alberti
Beth Hogan
Jason Pazzaglia
William Weber

Also In Attendance: Mark Nickerson, First Selectman
Anna Johnson, Finance Director
Timothy Hagen, Board of Ed Chairman
Dr. Jeffrey Newton, Superintendent of Schools
Maria Whalen, School Business Director

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 7:04 PM.

B. Pledge of Allegiance

The Pledge was observed.

C. Delegations

Mr. Harney called for Delegations.

Mychel Bridget Czaja, 6 Pleasant Drive, Niantic said that she loves this Town and that she moved here three (3) years ago. When they did the realtor told her to trust living in a rent at first as the education system was wonderful and things would be worth it as the location would be worth it for the education. They bought a house in Niantic and paid more for it than she would have for a home elsewhere but they did this for the education system. She recently heard at a BOE meeting that emotions should be taken from decisions. She does not believe that to be so and feels that it is the emotion that makes it special. She asked that they consider this while making the numbers work. She feels that the current \$200 increase per home is small in comparison to what they will get from it.

Robert Tukey, 111 Sleepy Hollow Rd. wants the proposal as presented to be adopted as he does not want higher class sizes.

Mr. Harney read into the record a letter signed and submitted by 40 people supporting Mr. Newton's decision to put forth the recommendation that Lillie B. Haynes and Flanders be renovated and rebuilt. (Letter attached)

D. New Business

a. Budget Reviews – FY 2016-2017

♦ **Board of Education (999) – Timothy Hagen, BOE Chairman, Dr. Jeffery Newton, Superintendent**
Mr. Hagen, Board of Ed Chairman said that he had a couple of comments. He said that they are fortunate with the fine school system and teachers that they have. He thanked them for the support with the contract negotiations and hopes that their support will continue and he thanked the administration and Superintendent Newton for all their hard work in putting the budget together. He then introduced Superintendent Newton.

Dr. Newton, Superintendent of Schools thanked Mr. Hagen and said that he would go over the PowerPoint presentation on the Board of Ed budget that was unanimously adopted. (Copy attached)

He said that they are requesting a 3.56% increase (\$1,566,525) and that the drivers in this were the salary and insurance costs along with transportation. He noted that they had started at a 6% increase and he came in with a 4.56% increase and they ended with the 3.56%. He explained that 1.91% (\$841,222) of the 3.56% increase is in salaries due to the recent contract negotiations. The combined increase for salaries and insurance is 2.56% (\$1,127,321) of the 3.56% overall increase. Class size is very important to them so they worked to keep the numbers where they are. Enrollment has decreased over the past and current year and they will continue to monitor this closely. The full day kindergarten program added five (5) teachers and they are right at the average for their DRG per student spending. They are continuing meetings to perhaps have some savings in transportation services.

He said that he and Donna Gittleman, Interim Assistant Superintendent for SPED, Maria Whalen, Business Director and Nancy Burdick, Finance, would be happy to answer any questions that they might have.

Mr. Harney opened the floor to questions from the Board.

Ms. Picarazzi asked how they saved \$7000 on water when it would have a fixed cost associated with it. Ms. Whalen said that she reviewed the budget over the years and pulled it back into line with what they actually used.

Ms. Picarazzi asked about the \$15,241 DRG figure and if it had increased over the years. Mr. Hagen said yes – it was in the \$14,000 range.

Ms. Picarazzi asked about the advertising savings that they have been talking about and if it has really happened.

Mr. Newton said that so far, not really however they have generated a small amount of revenue.

Ms. Picarazzi said that she would like to see them move out of the talk phase and into the detail phase for next year.

Mr. Newton said that the advertising income is something that should go towards offsetting the turf field replacement as they are only good for 20 years and they are already some 4 years into it leaving them 16 years before they need to replace it.

Ms. Hogan asked what some of the new initiatives were for this year that they decided not to bring forward. Mr. Newton said that they had some reading programs and an additional math coach.

Mr. Harney asked about the teacher evaluations project and where that stood. Mr. Newton said that it is still on-going.

Mr. Harney asked about the insurance costs.

Ms. Whalen said that they anticipate a 14% increase this year – the same as last year and that they have spoken at length with the agent over this to get to this figure.

Mr. Weber said that it seems that as the student population went down that the budget did not go down proportionately – he asked that they speak to this.

Mr. Newton said that the reduced enrollment does not affect only one grade or area and that it therefore does not show up as a reduction of perhaps people. It does not always equate out and is more like apples to oranges.

Mr. Weber asked if the 27.7% of certified staff with less than 5 years of service is less than it was five years ago or has it been at the same level.

Mr. Newton said that this is the newer staff that they have been able to bring in.

Mr. Harney asked about the short term savings and if they have identified Town locations to be able to save dollars for some of the programs.

Mr. Newton said that they have for one but not as of yet for Coastal Connections.

Ms. Alberti said that in the \$1.9M for utilities that the detail showed some schools having a decrease and others an increase but not as you would think.

Ms. Whalen said that they are being very accurate/vigilant with having the bills for the building go to that building. There also are different usages with solar panels, natural gas, oil, etc.

Ms. Alberti asked with respect to the transportation if they have looked at re-negotiating the bus contract.

Ms. Whalen said that the contract that they are under goes out to 2019 and that it includes everything in it, SPED, etc.

Mr. Pazzaglia asked where the two teacher reductions were from.

Mr. Newton said that one was a regular teacher and one from SPED due to movement there.

Mr. Weber asked about the supplies line items as some of it goes up and some down.

Ms. Whalen said that they have consolidated a lot of line items and that this will be the baseline (Chart of Accounts) for next year.

Mr. Weber noted that on Page 4 of the B Section of the information that they had been provided with on the budget regarding the High School – Projected enrollment and associated account expenses that the total change figure should be \$331,406 rather than the \$336,643 that they have there.

Ms. Whalen said that she would review it again and have it corrected.

Mr. Harney asked on the revenue side about the ECS from the State.

Ms. Whalen said that she budgeted based on what they have received from the State.

Mr. Harney asked about categorical grants.

Ms. Whalen said that they are written for a specific purpose and they have specific items and people in it and the grant covers what it was written for.

Ms. Picarazzi asked about Other Professional Services going up by \$239,530.

Ms. Gittleman and Ms. Whalen said that this is due to individual evaluations and that the law has changed such that people have the right to challenge the evaluation and to have a new one done.

Ms. Picarazzi asked if they do challenge.

Ms. Gittleman said that is what has driven this cost – they can challenge and they do.

Ms. Picarazzi asked how much of this is legal services.

Ms. Whalen said that the nurses were moved into this category so some of this is due to adjustments that were made to bring everything into the new baseline.

Mr. Weber commented/asked if the sections that they have moved items out of show the decreases as he does not see areas that went down by that much.

Ms. Picarazzi noted that some of the 611 supplies line items had increased.

Ms. Whalen said that line 612 was consolidated with line 611.

Ms. Picarazzi asked if beyond the consolidation if some of it was for new initiatives.

Ms. Whalen said that it is putting things in the right areas.

Ms. Picarazzi said that the salaries are not uniformly increasing – it shows 3% for one school and 3.75% for another school. Some are higher than the 3% and she said that she was not expecting that.

Ms. Whalen said that it is based on the actual salary, step movement and items that relate to the actual person so it reflects if someone retired and a new person was hired.

Ms. Picarazzi asked if the teachers are getting more than the 3% increase.

Mr. Newton said that it is 3.2%, 3.3% each year and that it is 9+% over the three year contract.

Ms. Picarazzi said that anything over the 3% be it .2, is still a lot overall.

Mr. Newton said that along with the salary increases that they are working 189 days instead of the 187 per year.

Mr. Harney said that the salaries line is the lion's share of the increase at \$884,222. But – Section B of the information that they provided the Board with shows the increase at \$781,222.

Mr. Newton and Ms. Whalen said that they had money budgeted for the OT/PT and they moved it out to contracted service. This would also affect the adopted budget that you cannot change now.

Mr. Harney thanked them for the presentation. He noted that there are a lot of new people and that they are doing some great housekeeping. He said that he would collect any other questions that the Board may have once they further review the information that was given to them and would forward them for response.

E. Public Discussion

Mr. Harney called for any comments from the Public.

Maria Vargas, 18 Pontiac Drive said that she was glad that she waited until now to comment. She complimented Ms. Whalen on her ability to answer all of their questions and her knowledge of the budget. She said that she hopes that they adopt the budget as it is.

F. Board Comments

Mr. Harney said that he thought that this year more than any other has been good and that on a monthly basis someone comes from the BOE to update them on what is happening. The BOE is more than two-thirds of the entire budget and they want to take the time to review it along with the needs of the community as a whole and for all factions within the community.

Ms. Hogan said that she liked the presentation and how they have combined various items and all of the work that has gone into it.

Ms. Alberti said that she attended some of the contract negotiations along with Mr. Harney and that she supported the increases at the time to get the teachers paid more and she thinks that this keeps them competitive. She said that at this point she would be inclined to support their budget however she is only one vote on the Board. She also thanked the BOE on their selection of Mr. Newton. She lastly commented on the letter that they received regarding the elementary schools – they have held numerous forums on it and she thinks that they have enough information to move forward with something. She urged them to do something due to the financial situation that the State is in.

Mr. Weber said that they have moved full circle and they have supported the new teachers. He thanked them for all of their hard work.

Mr. Pazzaglia thanked them for the information and said that he thinks that it is pretty clear to understand.

Ms. Picarazzi thanked everyone for coming and for their interest in the process. There was a lot of work done and apart from the salaries, it is an austere budget. This budget comprises nearly 75% of the Town budget and they have the responsibility to do for the collective good. She said that while she is a proponent of salary increases that over 3% was not something that she expected and it was certainly not expected over a three (3) year period of time. She said that she hopes that they will look for some level of austerity. She thanked Mr. Newton for his leadership.

G. Adjournment

Mr. Harney called for a motion to adjourn.

****MOTION (1)**

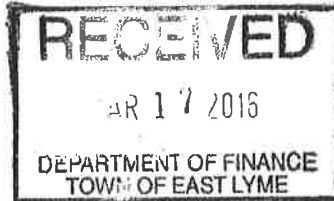
Ms. Picarazzi moved to adjourn this Special Meeting of the East Lyme Board of Finance at 9:08 PM.

Ms. Hogan seconded the motion.

Vote: 6 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary



March 17, 2016

Dear Board of Finance Members,

It is with the goal of providing the children of East Lyme the best education and a safe environment that we support Mr. Newton's decision to put forth the recommendation that Lillie B. Haynes and Flanders be renovated and rebuilt. There are many reasons why his recommendation is indeed the most sensible. Originally it was always to be this plan, which was suddenly changed. Combining Niantic Center School and Lillie B. Haynes has always made the most sense for a myriad of reasons.

Haynes is a structure that easily accommodates the projected 425 students. As Mr. Newton has stated it is part of a campus in close proximity to other facilities, which are easily shared with our children. One of the foremost concerns is safety for our children. On several occasions the students from the Middle School have had to evacuate their building. They were quickly ushered to the safety of Haynes being brought in from the cold. What would happen to our children if Niantic Center were the location and 425 children would have to be evacuated from that building, especially if it were on a cold winter's day? Where on earth would they go?! If there were ever a Millstone evacuation the Haynes location provides quicker access to I-95.

There are several programs that have been initiated by the Middle School staff that have brought their students over during the day to collaborate with our elementary students. Also, new this year, one of the Haynes third grade classes has begun a "Book Club" with senior citizens. This class walks over to the Senior Center and engages with seniors in discussions on chosen books that they are reading simultaneously. Such an experience has met with great success! Other collaborative experiences with the seniors at the community center have occurred in the past. The Middle School Orchestra participates every year in our Veterans' Day Program as well. At the end of the school year all our classes meet over at the East Lyme Public Library to hear about summer programs that encourage our students to continue reading over the summer. These are all very special occasions for our students which enrich their education while providing a safe haven.

Haynes is a building with a lot of natural light that is very conducive to learning, and roomy, wide corridors where numerous exhibits are presented. In the courtyard students learn about gardening, and composting. They experience watching a family of ducks nest, and then ducklings hatching. We all watch them waddle around, learn to fly, and swim before they are lead out by a parade of children early one morning to their new home on Gorton Pond! Annually we also are involved in hatching trout in our science room that are also then released into Gorton Pond.

There are many fields that are used for an array of school activities. If future expansion were necessary these area would provide the needed space. There is more than adequate parking with the potential for increased parking space.

Submitted 3/17/16 BOT Budget Reviews 2 Sides

Superintendent Newton was tasked by the Boards of Finance and Selectman to revisit the \$58 million elementary school building plan with the understanding that it would not be passed by the town's people at a referendum. In good faith and after studying all the plans made before his arrival as Superintendent of Schools, Superintendent Newton presented a new plan with valid details supporting his recommendation. It was disheartening to hear on Monday, March 14th that his well researched, most common-sense plan was not supported by the Board of Education Members. Superintendent Newton has been transparent in all his dealings on this important issue. We hope that you will all put politics aside and truly support what is in the best educational interest and safety of our children!

Sincerely,

Beth Hays
 AWH
 Maria V.

Rose Arzen
 Kathleen E. Tracy
 Sally Drotto
 Ann Fitzmery
 Ann Hunt
 Theresa Glenn
 Linda W. W.
 Wendy Patterson
 Michelle Dada
 Heidi Maoru
 Viki Kosh
 Susan Braun
 Amy Boyer
 JoAnn Brown
 Lynn Zeller
 Meredith
 Jayne Dubois
 Janice Seno

240
 Signatures

Julie L. Kujala
 Lynn Locarno
 Margaret Belauski
 Hilary Sellen
 Kate H. Dorton
 J. Michele Doretto
 Marie Cassidy
 Alicia Rose
 James Goode
 Pat Nelson
 Janet Brinkman
 Regina M. Westner
 Judy Deeb
 Lou Skets
 Karen Vitch
 Larry Olanell
 Heidi Juel
 Amy Boyer
 Kristin Custodio



East Lyme Public Schools

East Lyme Board of Education Adopted Budget for FY 2016-2017

Presented to the EL Board of Finance
by BOE Chair Tim Hagen and Superintendent Jeff Newton
on 3/17/16

ELPS FY 16-17 Budget

Development, Recognition and Thanks:

- Dedicated and committed staff and administrative leadership team
- Thoroughly vetted budget process and collaborative effort
- Unanimously approved Board of Education 16-17 educational budget

ELPS FY 2016-2017 Budget Overview

	Numbers	Percent
Current Year Budget	\$44,033,080	2.95%

2016-2017 Adopted Budget
(without new initiatives) \$45,599,605 3.56%

ELPS FY 2016-2017 Budget Story

Projected 2016-2017 Budget:
\$46,685,064 (6.0%)

Contractual salary increases

Insurance costs

Transportation costs

Magnet school tuitions

Utility costs

Special Education costs

New initiative work

Elimination of
new initiatives/
requests

Implement cost saving
measures (HDHP)

Repurpose for
cost savings

REDUCTION MEASURES

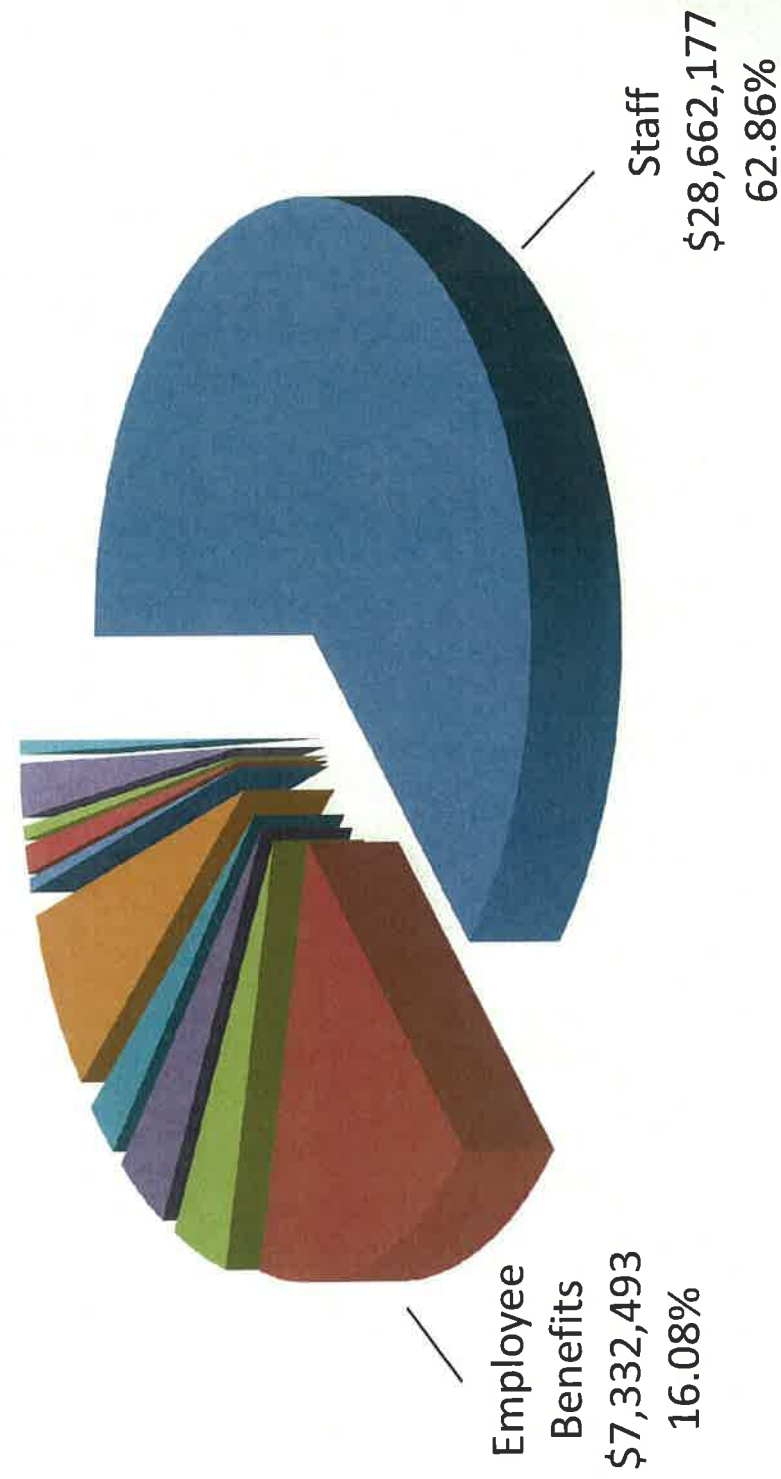
Superintendent's
Proposal:
\$46,038,891
(4.56%)

FY 2015-2016
Budget:
\$44,033,080

BOE Adopted
FY 16-17 Budget :
\$45,599,605
(3.56%)

Key Budget Drivers Fixed Costs for 2016-2017

Salary + Benefits = 78.94% of Budget



Adjusted Budget Proposal

	<u>\$ 45,599,605</u>	<u>\$ 1,566,525</u>	3.56%
	Increase over FY 2016	Cumulative Increase	% over FY 16 Budget
* Salaries	\$ 841,222	\$ 841,222	1.91%
Insurance & Other Employee Benefits	\$ 286,099	\$ 1,127,321	2.56%
Large Budget Drivers			
Special Education	\$ 274,208	\$ 1,401,529	3.18%
External Placements			
Legal Services			
Special Education Evaluations			
Student Transportation	\$ 28,268	\$ 1,429,797	3.25%
Magnet Schools - Tuition	\$ 19,998	\$ 1,449,795	3.29%
PLF & Sports	\$ 54,253	\$ 1,504,048	3.42%
Computer Services	\$ 42,818	\$ 1,546,866	3.51%
Various Line Accounts	\$ 19,659	\$ 1,566,525	3.56%

(adjustment for OT PT \$60,000 taken out)

16'-17' Proposed Operating Budget (Contractual Fringe Benefit Costs)

Insurance Increase (Medical and Dental)	\$ <u>178,405</u>	<u>3.4</u> %
Pension Increase	\$ <u>18,276</u>	<u>6.2</u> %
Worker's Comp Increase	\$ <u>49,547</u>	<u>28.5</u> %
Other Benefits	\$ <u>39,871</u>	<u>3.3</u> %
Total Increase	\$ 286,099	4.06%

(S.S., Tuition, Un-Employment, Retirement)

Insurance savings moving from PPO to HDHP \$ 207,318*

Special Education External Placement Costs

Free and Appropriate Public Education for all students with disabilities aged 3 through 21.

In addition to direct instruction, may include related services such as Speech/Language Therapy, Occupational Therapy, Physical Therapy, Counseling, Art Therapy, Music Therapy, Behavioral Intervention and Support, Transportation, etc.

School Year	External Placement Cost w/Transportation
2010-2011	855,250
2011-2012	535,615
2012-2013	328,064
2013-2014	358,772
2014-2015	542,254
2015-2016	477,699

Without In-House services/programs external placement costs for 15' -16' would have been an additional \$1,000,000 (10 students)

\$1,000,000
+\$477,699
Total: \$1,477,699

Budget Savings

Staff and Programs:

-Reduction of 2.0 FTE Teaching Position ^{1 Reg, 1 SPED} Savings \$132,962
-Retirements Savings \$88,238

Utilities:

-Oil Savings \$56,000
-Propane Savings \$13,700
-Water Savings \$11,000

Insurance:

-HDHP Savings \$207,318

Total Savings Summary: \$509,218

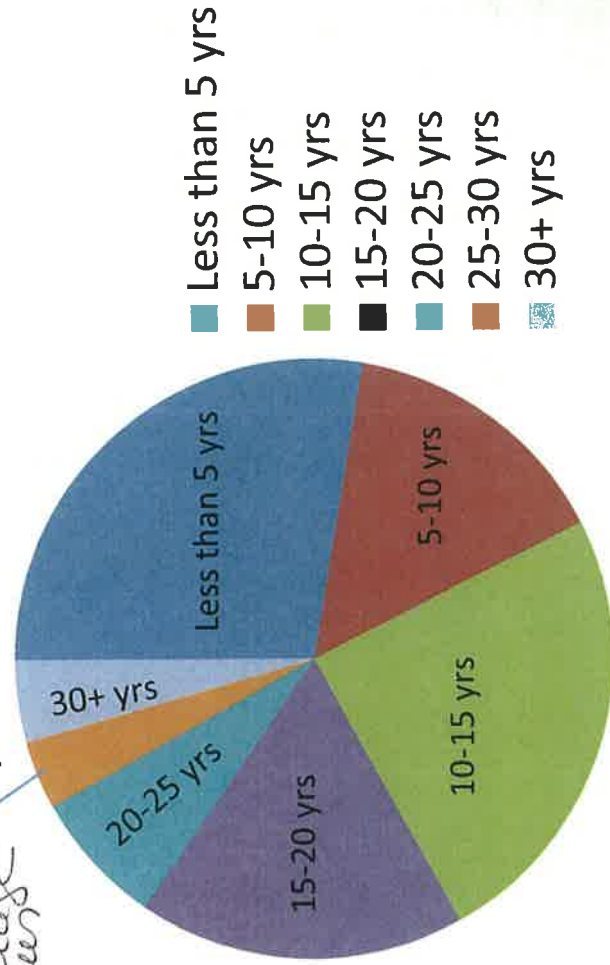
Other Related Considerations:

Certified Teaching Staff

Years of Service in East Lyme
(as of 12/30/15)

Yrs Service	#Certified	Percent
Less than 5 yrs	80	27.7
5-10 yrs	43	14.9
10-15 yrs	70	24.3
15-20 yrs	51	17.7
20-25 yrs	21	7.3
25-30 yrs	11	3.7
30+ yrs	13	4.4
Total	289	100.00

highest percentage 25-30 yrs



- Less than 5 yrs
- 5-10 yrs
- 10-15 yrs
- 15-20 yrs
- 20-25 yrs
- 25-30 yrs
- 30+ yrs

We want to support and retain our new teaching staff!

District Budget Proposal History

Superintendent/BOE/Town Budget vs. Adopted

	09-10	10-11	11-12	12-13	13-14	14-15	15-16	Avg
Supt's Budget	2.38%	3.44%	4.69%	3.77%	3.31%	4.81%	4.68%	3.72%
BOE Budget	2.40%	1.97%	2.93%	2.87%	3.34%	3.34%	3.95%	2.60%
Town Approved Budget	-0.45%	1.83%	1.44%	1.78%	1.76%	2.03%	2.90%	1.41%

Year	Adopted Budget	BOE Budget	Supt's Budget
09-10	39,201,715	39,917,597	40,494,180
10-11	41,214,544	41,941,731	42,792,767
11-12	44,033,080		

Proposed Elementary Student/Staffing for 2016-2017

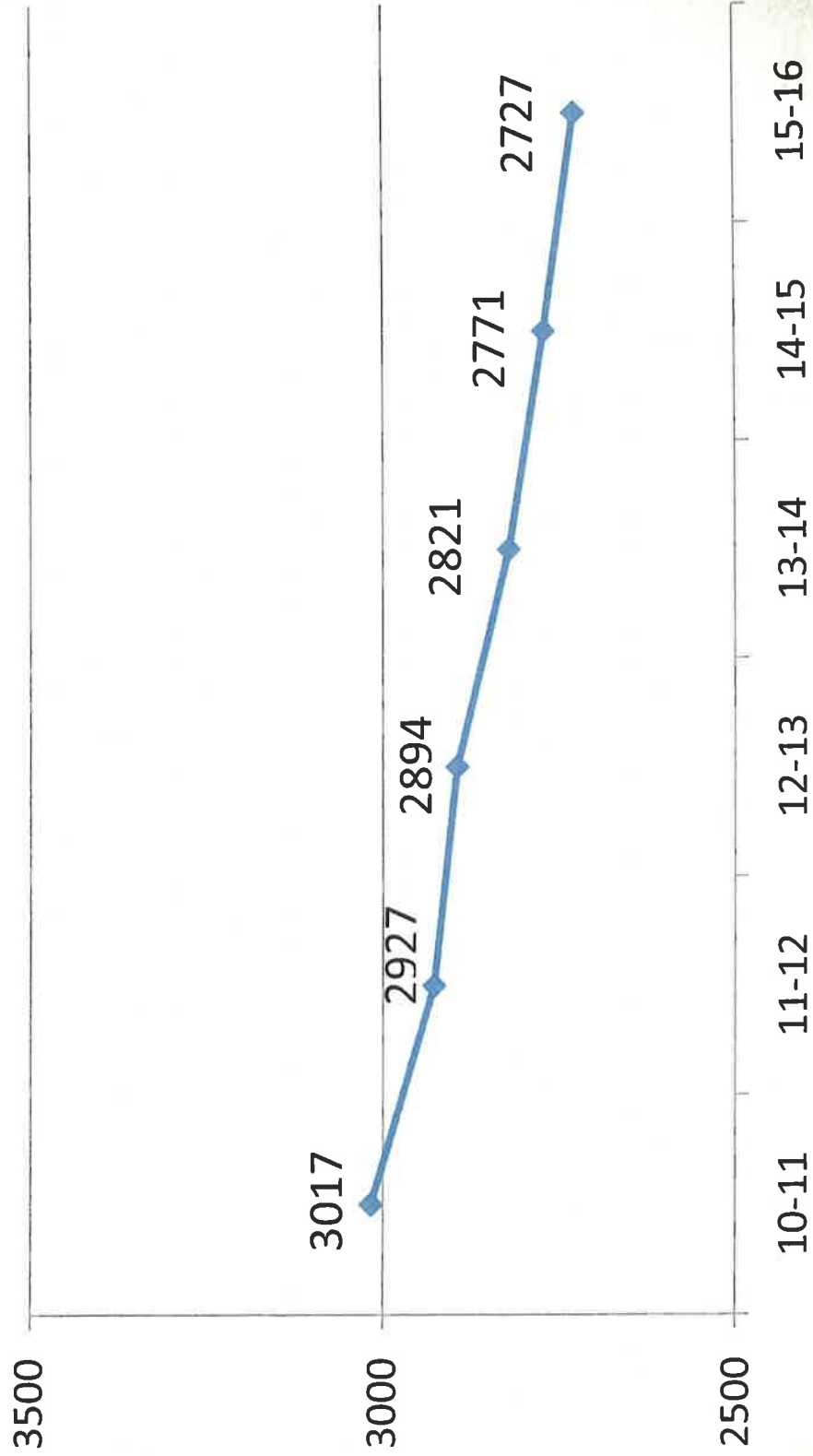
Grade	# Students	Class Size	Teachers (FTE)
Integrated Pre-K	56 (as of 12/31)	18.66 (Rolling enrollment)	3.0
Kindergarten	129	14.3	9.0
Grade 1	129	14.3	9.0
Grade 2	148	16.4	9.0
Grade 3	179	17.9	10.0
Grade 4	161	17.8	9.0

Reflects a -1.0 change in FTE for 2016-2017

District K – 12 Student Enrollment Report

Historical Perspective – Dec. 15'

District



ELPS Enrollment

FY 2015-2016 Actual vs. 2016-2017 Projected

SCHOOL	FY 2015-2016 ACTUAL 10/1/2015	FY 2016-2017 PROJECTED *	INCREASE (DECREASE)
Flanders	343	350	7
Lillie B. Haynes	290	291	1
Niantic Center	168	172	4
Middle School	848	854	6
High School	<u>1,078</u>	<u>1080</u>	<u>2</u>
TOTAL	<u>2,727</u>	<u>2,747</u>	20

*based on actual 12/31/16 enrollment

Elementary Certified Staff 5-Year FTE Gain/Loss History and K-4 Student Enrollment

ELPS Elementary Certified Staff
5-Year FTE Gain/Loss History
and K-4 Student Enrollment
1/13/16

School Year	FL	HA	NC	DW Elem	Net Total for Year	K-4 Student Enrollment
2011-2012	-0.5 Elem +0.5 Sp Ed	-1.0 Elem	0	0	-1.5 Elem Classroom +0.5 Sp Ed	911
2012-2013	0	-0.5 Elem	-1.0 Elem -1.0 Elem -0.1 Art	-0.1 Music	-2.5 Elem Classroom -0.1 Art -0.1 Music	894
2013-2014	+1.0 Elem +0.5 Elem +1.5 Elem	+1.0 Elem +1.0 Elem +1.0 Elem +3.0 Elem	+0.5 Elem	-1.0 Elem Spanish	+5.0 Elem Classroom (Implemented Full Day Kindergarten) and -1.0 Elem Spanish	883
2014-2015	0	-0.10 Music	-0.20 Music	-1.0 Sp Ed (ABA@HA)	-1.0 Sp Ed (ABA) and -0.30 Music	841
2015-2016	-2.0 Elem +1.0 Elem -1.0 FTE	-1.0 Elem	0	+1.0 Elem Spanish	-2.0 Classroom and +1.0 Elem Spanish	801

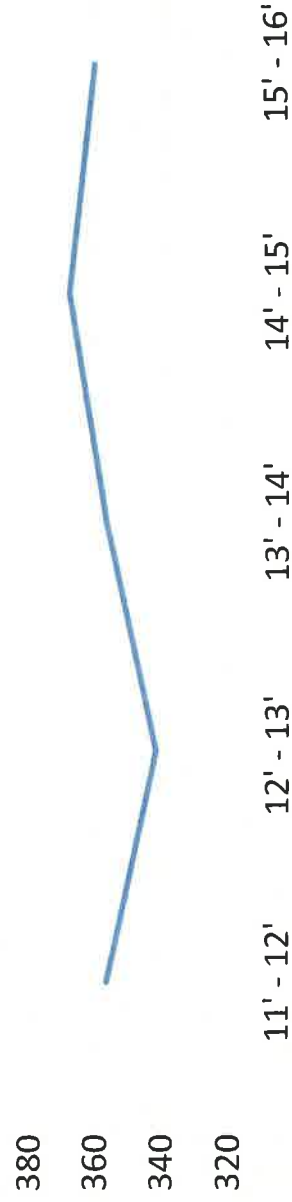
Total Overall Net Gains/Losses (New Positions and Budget Reductions) of Elementary Certified Staff over 5-Year History 2011-2016:

- 1.0 FTE Elementary Classroom Teachers
- 0.4 FTE Elementary Music Teachers
- 0.1 FTE Elementary Art Teachers
- 0.5 FTE Elementary Special Education Teacher
- 2.0 FTE Overall Elementary Level Teacher Reduction between 2011-2016 (-110 K-4 students)**
(Would have been -7.0 FTE without the implementation of full-day Kindergarten in 2013-14)

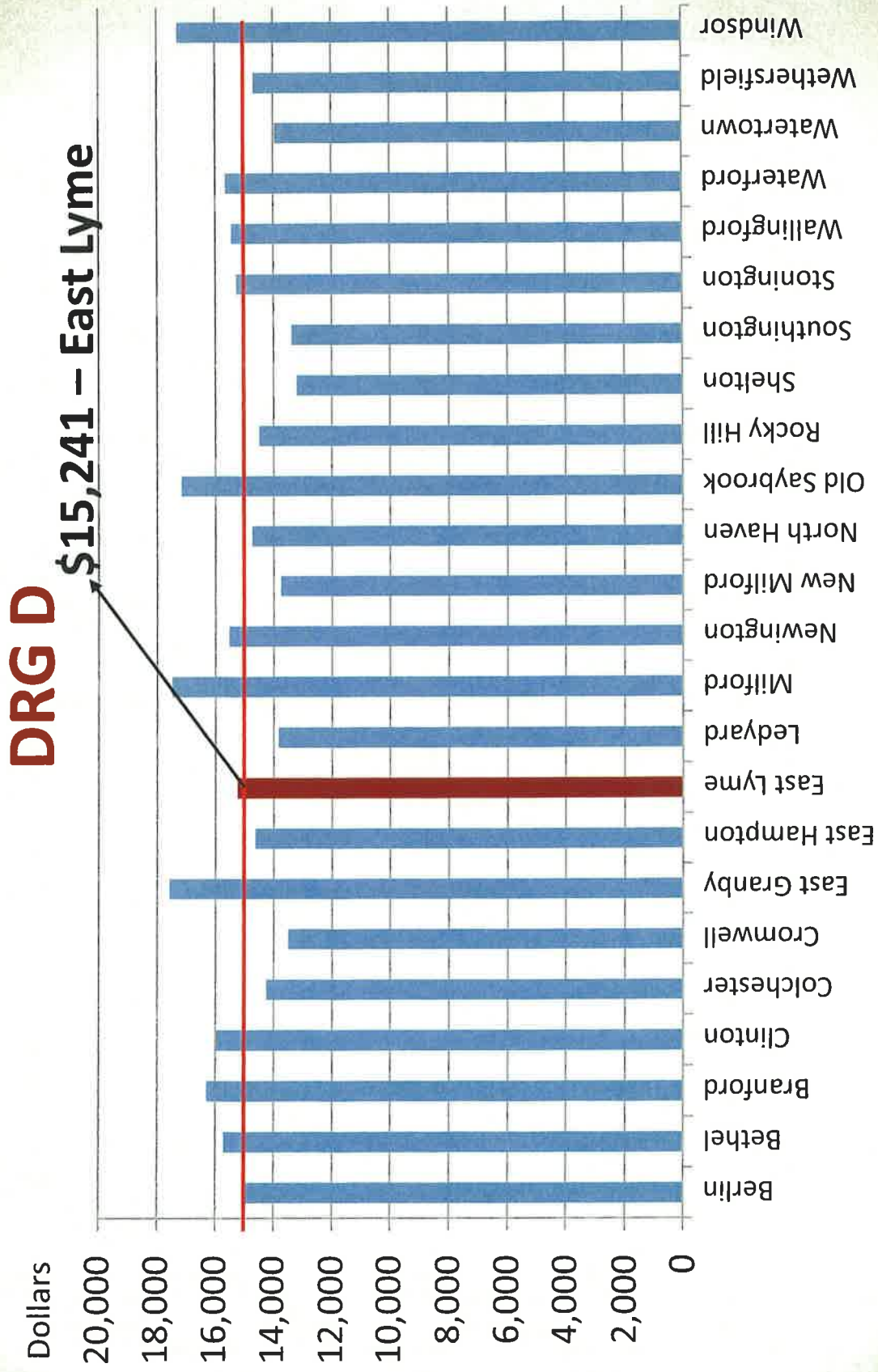
Special Education Enrollment

Year	# of Sp Ed Students	Total Enrollment	Percentage of Sp Ed Students
2011-2012	357	2927	12%
2012-2013	342	2894	11.8%
2013-2014	357	2821	12.6%
2014-2015	368	2771	13%
2015-2016	360	2727	13%

Special Education: # of Students



Per Pupil Expenditure Comparison for 2014-2015



— DRG Average \$15,124

Strategic Saving Ideas

Short-Term:

- Relocation of the 18-21 Transition Program *Send \$15,000 Rental now This would allow us to move that*
- Investigate Further Collaborative Opportunities with LEARN (Special Education Services)
- Relocation of the Coastal Connections Program *23 Students now*
(Possible Shared Town Space)
- Strategize Increased Advertising Efforts *could be considerable*
- Closing of an Elementary School

Strategic Saving Ideas

Long-Term:

- Consortium Savings in Utilities (Collaborate with Neighboring Towns)
- Train In-House Assistive Technology Support Person (currently contracting out)
- Further Consolidation with Contracted Services (ABA Special Education Support) *Applied Behavior Analysis*
- District-Wide Grant Writer
- Investigate Increased Technology Use (reduce paper)
- Systematic Method of Supply Purchasing
- Pfizer Donations/Partnership of Science Materials
- East Lyme Education Foundation