

Newtown Public Schools
BOE CFF Sub Committee Meeting
September 17, 2024, 6:00 pm
BOE Conference Room

CALL TO ORDER

BUSINESS

Item 1 Approval of BOE CFF Sub Committee Minutes of September 3, 2024

NEW BUSINESS

- Financial Reports and Transfers
- Transportation Update
- Discussion of CIP
- Approval of BOE CFF Revised Meeting Schedule

PUBLIC PARTICIPATION

ADJOURNMENT

Newtown Public Schools
CFF Sub-Committee Meeting Minutes
September 3, 2024, 6:00 PM
BOE Conference Room

PRESENT: Shannon Tomai, Alison Plante, Brian Leonardi, Tanja Gouveia, Steve Goodridge, Board of Finance, Jill Soderholm, Legislative Council
1 Public

CALL TO ORDER: Mrs. Tomai called the meeting to order at 6:01pm.

BUSINESS: Mrs. Tomai made a motion to approval the BOE CFF Sub committee minutes of May 16, 2024. Mr. Leonardi moved the motion. Mrs. Plante seconds the motion to approve the minutes of May 16, 2024. All in favor. Motion passes.

NEW BUSINESS

EOY Financial Report and Transfers

Ms. Gouveia presented the end of year financial report. She stated we ended the year with a positive balance of \$250,902 and we expended 99.71% of the budget. We have \$358,771 in encumbrances remaining and those are various departments which we will carry throughout the year until we close out at the next fiscal end.

She began with reviewing the major objects.

The certified salary account has a balance of \$63K. The majority of that came from certified subs, specifically our building subs. On an average we had about 5 positions open. Salaries throughout the year had a positive balance, primarily driven by the para balance. There was a transfer of \$170K which was used to covered shortfalls in other non-certified areas as well as some benefits. We ended the year with \$63K in our para union. In our custodial union, we ended the year with just over \$106K due to a fair amount of turnover along with Worker's Comp claims that came in later than anticipated.

Mr. Leonardi asked about the difficulty in filling open positions. Ms. Gouveia stated its been extremely challenging. We experienced vacancies in Bldg Subs, Para's and BT's. We budget for about 25 Bld Subs and our average is about 20 which has been consistent for the last 4 years.

Mrs. Gouveia stated the non-certified ended with a \$207,884 balance with a combined total for salaries of \$270,896. She emphasized that salaries all along has been our driver behind all of our balances. She stated we have been able to use some leverage of salaries towards our 24-25 pre-purchases because of our budget adjustment for next year.

In benefits we ended the year with a positive balance. Early projections showed a deficit in our FICA and Medicare that was based on filling the open positions. We did a transfer of \$40K to cover the shortfall however we only needed about \$8K so we have a remaining balance of \$32K.

Another early projection was our unemployment. She stated claims were coming in higher than she has ever seen however the last quarter fizzled out and only required \$4K.

Mr. Leonardi stated if it was not for the transfers we would have been in the red.

Ms. Gouveia stated that in May she was forecasting a negative \$40K so that is why we did the transfer.

In Professional services she reported all year we had two SLP's come in and cover for our speech and pathologist teachers that were out on leave. The total cost was \$70K. We also needed an additional \$21K for Nixon. This was for the last payment and they had submitted travel expenses as an added cost.

Mrs. Tomai and Ms. Gouveia talked about the vendor contract and the travel costs that were covered.

Ms. Gouveia stated that there was an approval by the former Superintendent and therefore we paid the additional expenses.

Mrs. Tomai asked if a check was done prior to approval to ensure the additional costs were included in the contract. Ms. Gouveia stated yes and the invoices did get approval. Mrs. Tomai stated if this was the case then maybe we should look at the offset of future expenses to them.

Ms. Gouveia stated she would review.

Ms. Gouveia talked about nursing services who worked with a student on a one-on-one basis which cost us an additional \$30K. We did not transfer any more than \$140K into this account but we still need an additional \$26K which will be addressed with a budget transfer.

Ms. Gouveia moved on to Purchased Property Services and stated this object fared pretty well with a balance of \$21,676 despite a larger deficit in the Building Site & Emergency Repairs. She stated the Building Site & Emergency repairs account started out strong and she thought it would be coming in under budget but we ended coming in over budget. She stated we budgeted \$475K and costs came in at \$513K. She stated these are contingency accounts and if we have emergencies it will hit this account.

Mrs. Plante stated the boiler was the driver of this account. Ms. Gouveia stated roof repairs as well.

Mr. Leonardi asked about when we do an RFP for the roof at the high school what account that would go under. Ms. Gouveia stated it depends, if it is a project it would be in our capital non-reoccurring which is on the town side. If it is over \$200K it would land on the CIP, and if it is under \$50K it will land in this account.

Ms. Gouveia stated we had a few surpluses and overall Purchased Property Services ended in a positive balance.

With Other Purchase Services Ms. Gouveia stated the contracted services account has a deficit due to the BT (Behavioral Therapist) contracted services. She stated the amount we spent was quite high although lower than last year and we spent \$270K with grant dollars for our BT Techs.

Mrs. Tomai asked if they were hourly services. Ms. Gouveia stated yes they are all hourly positions.

Internal positions are paid hourly and the services are paid hourly but the services get about \$60-70/hr.

Mrs. Plante stated the way she understood this is that we have a big surplus in our salary accounts because we cannot fill the positions. If we can fill the positions we would be paying our BT's out of that account. But we can't so we have a surplus in that account. We therefore have to pay outside

contractors to come in and provide the services because they are special ed which are required to deliver the services and therefore cost more than if we were to hire internally.

Ms. Gouveia stated the transportation deficit of \$32K was due in part to displaced students needing to be picked up outside of our district and the addition of a monitor for one bus.

She talked about out-of-district tuition which we came in above budget. Overall this major object ended with a positive balance of \$31,788.

Mr. Leonardi asked about the transportation account and if that was just the All-Star contract.

Ms. Gouveia stated it is All-Star and our Out-of-District. She said our Out-of-District is about \$1M and we currently have EdAdvance as our main vendor. They have also had a hard time with drivers so we have had to outsource.

Mr. Leonardi asked about the term of our transportation agreements.

Ms. Gouveia stated All-star is a 5 year contract which we are currently in year 3 and this is the last year for EdAdvance so we will be putting an RFP together.

Mrs. Tomai asked about the insurance-property and liability costs and how do we not know for sure what the cost for insurance is going to be.

Ms. Gouveia stated that our insurance gets renewed every April and we budget in October so we don't know and we assume it will stay the same. Our LAP insurance we usually get a heads up. Workers comp is variable and there is a cap. Typically we put in for a 3% increase. She said the Cyber is a small policy which used to be about \$40K and now with putting in protocols in place the costs have been going down a bit.

Moving onto supplies Ms Gouveia stated we have a deficit which we will take care of with the year end transfers. We went over budget in instructional supplies by \$20K, Software was a bit over, plant supplies was also a bit over budget. Last year's budget was adjusted at the superintendent's level but they purchased everything they need at the school level as far as software supplies and plant supplies. In the electric we had made an early transfer in April to cover for textbooks and some of our pre-purchases for the 24-25 budget. After virtual net metering credits came in and bills were settled we ended with -\$120K negative due to the transfer we made early on.

Mr. Leonardi asked about the budget amount of 23-24 was significantly larger than what was expended in 22-23. Ms. Gouveia stated our virtual net metering budget was different. First year we did not budget for any of the credits. Second year we budgeted a bit more. This year was more aggressive and we received a full year of credits on the virtual net metering. Also, Hawley's budget was significantly increased last year because of the new HVAC. Ms. Gouveia stated she would further follow up on this as she did not want to miss-speak on the exact differences year over year.

In the Property major object our technology equipment has a small balance and other equipment balance of \$22K with a total of \$24K as the balance. The \$22K was going to be for an upgrade to our radio system but we have put that project on hold as we are looking into grants and we want to make sure we are in alignment with the town.

The excess cost grant came in at 66.71% which is a less revenue than we anticipated at 70%. All in all we have a favorable balance in our out-of-district tuition. She talked about the various other revenues that get turned over to the town such as local tuition, parking permits and fees.

Mrs. Tomai suggested this should be annotated in the summary report as it is not actually revenue to the Board of Ed.

Transfers

Ms Gouveia stated per board policy all major objects need to be in a positive state at the end of the year so she is requesting a transfer from the salaries accounts to cover the deficit in professional services, supplies, and miscellaneous.

She said the unexpended balance is to be transferred into the non-lapsing and speaking with the Superintendent we would like to recommend that \$80K does go towards SpeEd reserves and the balance of \$170,902 goes towards the general reserve.

Right now without the transfer we have \$300K in sped. We have a total of \$115,675 in general reserves for a grand total of \$415,675 in the non-lapsing. That is without this request going in.

Non-lapsing account deposit

Mrs. Plante then gave a background on the non-lapsing account for the newer subcommittee board members explaining the non-lapsing account that was established for the BOE. She explained that all accounts in the budget expire on June 30th. From the BoE perspective, state statute enabled us to create what is essentially a savings account where we can deposit all of the unexpended money into this account which we can then use that money for unforeseen emergency expenses, capital expenses etc., as long as the money we deposit each year does not exceed 2% of the total budget and as long as the funds are used for educational purposes. This account is called the Non-lapsing account.

Historically we have earmarked funds towards the SpEd overages since this area is hard to predict.

Mrs. Tomai asked if there is an ability of the town to not permit us do this and to take the money that is left over. Mrs. Plante stated there was a recent change in state statute at the end of this legislative session where in previous years we had to get fiscal authority from the town to approve our deposit.

We had just revised a policy last November how this process would work. Now the state has changed the process and on our own recognition the BoE can approve the deposit without requesting further approval from the Board of Finance and Legislative Council.

Mrs. Plante stated it is now up to us how we want to handle it as we are no longer required to request that approval and wanted to know how the subcommittee felt about it. She stated we are no longer required but we still work in partnership with the Board of Finance and Legislative Council and she thought it was appropriate to provide transparency on this with the balance we are seeing, the balance of the account and amount we expect to deposit.

Mr. Leonardi agreed and stated it was a professional courtesy. Mrs. Tomai also agreed with the transparency.

Mrs. Plante stated that the Policy committee will update the policy to reflect the statute.

July Financials

Ms. Gouveia presented the July financial report. She stated the total budget is \$87,409,066 and all accounts have been adjusted per the BoE budget that was approved in May. Right now we don't have any anticipated obligations and we have \$28M in encumbrances. She stated we don't usually start analyzing these accounts and putting forecasts in until October. The first couple of months we want to make sure all of our salaries are in alignment, encumbrances are up to date especially in salary accounts as this is the driver for our budget. We will then begin to look at forecasts. There is not anything to discuss regarding the July report at this time.

Transportation Update

Ms. Gouveia stated the end of year athletic trips came in at \$10K under budget for athletics. This year All-Star provided 64% of the trips, last year it was 44% but the cost went down significantly due to finding cheaper transportation.

She stated we are still facing driver issues. Beginning last week we had 4 drivers, two went out on FMLA and two quit. We had 4 spares that went into those permanent spots. All-star has 3 in training and 1 is being tested this week. So all in all we are still down drivers. We will be conversing with All-Star to be sure there is a plan in place. We are holding our own right now and All-star has been doing advertising and still offering a sign-on bonus. She stated there are other towns experiencing the same issues.

PUBLIC PARTICIPATION none

ADJOURNMENT: Mrs. Tomai made a motion to adjourn the meeting. Mr. Leonardi moved the motion. Mrs. Plante seconds the motion. All in favor. The meeting was adjourned at 6:58 pm

Respectfully Submitted,
Joanne Morris

THESE ARE DRAFT MINUTES AND ARE SUBJECT TO THE APPROVAL OF THE BOE CFF SUB COMMITTEE.