

MINUTES OF THE CHESHIRE TOWN COUNCIL SPECIAL MEETING AND BUDGET COMMITTEE MEETING HELD ON TUESDAY, APRIL 23, 2019 AT 6:30 P.M. IN ROOM 207 TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410

Present

Robert J. Oris, Jr. Chairman; Paul A. Bowman, Vice Chairman; Jeffrey Falk, Patti Flynn-Harris, Sylvia Nichols, Thomas Ruocco, Timothy Slocum; Peter Talbot; David Veleber. Staff: Sean Kimball, Town Manager; Arnett Talbot, Assistant Town Manager; James Jaskot, Finance Director.

Dept. of Education – COO Vincent Masciana; Don Wailonis, Interim Asst. Superintendent of Schools.

BOE Members – Ms. Hallen and Mr. Grippo

Budget Committee Chairman Slocum opened the meeting at 6:32 p.m.

1. ROLL CALL

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. DISCUSSION RE: PROPOSED FISCAL YEAR 2019-2020 OPERATING BUDGET AND BOARD OF EDUCATION BUDGET

Budget Committee Chairman Slocum stated the Council is looking at a 0.60 mill rate increase. The budget cut for the BOE would be \$885,000.

Mr. Masciana distributed copies of the BOE Public Information Session packet (dated 4/11/19). He also distributed a list of potential 2019-2020 budget reductions and additions based on priority of impact – lower, medium, higher, highest. This information was reviewed with the Council.

Page 2 - 2019-2020 BOE Initial Internal Budget Request - \$75,942,864; Increase of \$4,299,238; 6.0%. (FY 2018-2019 Budget \$71,643,626).

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 - Contracts 72%; Restoration 22%; Improvements 6%.

22%_Restoration – partial restoration of medical benefit contribution funding (\$400,000) to cover claims; increase maintenance budget (\$200,000) to address repair needs. 6% - hire two additional school psychologists to meet the needs of students.

Page 3 – Per Pupil Spending – In DRG B, Cheshire is ranked #18 out of 21 school districts in per pupil spending - \$16,013, and #122 out of 166 Connecticut school systems. The money is spread as far as possible, and Cheshire has a good track

record and high student performance, getting good money for the funding spent. With mid-year reductions over the last few years, the average increase is 1.16%.

Mr. Masciana noted that average contractual increases are in the range of 1.5% to 2%, and with an 1.16% average increase the BOE has reduced spending to sustain the contractual increases.

Mr. Oris asked if the 1.16% includes adjustments to the medical trust fund. Taking this number out does not impact curriculum and operation of the school system...and is misleading. By pulling out this number the percentage increase would be higher.

The Council was told by Mr. Masciana that the 1.16% does not include reduction to the medical benefits contribution. Ms. Hallen said this money could be used for maintenance or operating costs.

With medical benefits trust funds reduced, Mr. Oris said the fund is in good shape, and increases the budget from an operational perspective.

Mr. Masciana outlined what can be done this year using reserve funds.

- Reduce the \$400,000 that was recommended
- Trust Fund contributions are \$690,000 per month
- Expected claims are \$790,000 per month
- Over time, the reserve is depleted and the difference is \$100,000 per month that will be short in the budget for claims and contributions
- This is pushing the medical liability going forward

Page 4 Critical Priorities – in preparing the budget the BOE will not short change classroom teachers, student services, special education or other support services. Without sufficient budget funds, Mr. Masciana said funding comes from maintenance, furniture, etc. to keep priority on education.

Class Sizes – 18.2 elementary students per class; Dodd Middle School – 23 students per class; Cheshire High School – student/teacher ration works differently with electives, but average is 14.8 students per teacher. DRG B – Cheshire is on the high end with more students per teacher.

Page 5 Critical Priorities – Complex Thinking and Social and Emotional Learning are district priorities; two additional school psychologists have been requested for several years to meet objectives in the district.

Tier Two Priorities – These are usually the items reduced in the BOE budget. They include furniture, equipment replacement, professional development activities and resources, school maintenance.

Page 6 Historical Cost Cutting – The BOE budget request is 3.72%; \$74,308,621; increase of \$2,664,995.

There was a discussion (Council and Mr. Masciana) on reduction of teaching staff, not cutting enough teachers(1 for every 26 students), elementary and middle school ratio being less than 1 teacher for every 26 students. It was explained by Mr. Wailonis that some of these statistics are special education with teachers working with fewer students, hiring of social workers, school psychologists, and the ratio is more 1 teacher to 23 students. Ancillary staff affects the 1-26 ratio. The numbers are skewed due to special education, smaller schools, smaller number of classrooms, reducing enrollment, and the number of teachers has gone down. When looking at reducing the number of teachers, the BOE looks at the number of students projected for each grade in each school, class size increase, and how many teaching positions can be reduced. In looking at reduction of six (6) elementary teachers the class size average goes to 19.2 students, up from 18.2. The scenarios look at class sizes grades 2-3 (average 21), and grades 4 to 6 (average 23 to 25). Enrollment has gone down and the number of teachers has gone down. The reductions are seniority based; there is movement amongst grade levels; a high school teacher retirement requires a teacher certified to teach that course; vacancies are first posted internally, and if someone takes the position, there is a domino effect. The advantage to a retirement is hiring a teacher at a lower step in the pay scale, so there is a financial savings. Mr. Masciana explained a teacher coming from another district at step #5 could be placed in that step in Cheshire.

In DRG B, there is declining enrollment in suburban districts, and cities (Danbury) are growing. Mr. Masciana cited DRG B student to teacher ratio for Cheshire at #8 or #9 in 2008-2009, and 2017-2018, #19 or #20. Per pupil spending ranges from #1 at \$24,000, and #21 at \$13,000.

For Cheshire's BOE numbers, Mr. Bowman asked about dollars captured in Cheshire with help from town departments to the BOE, if this is included in the per pupil spending along with School Resource Officer.

Mr. Jaskot advised the Council that these numbers are captured in the per pupil spending. Mr. Masciana reported that the per pupil spending numbers come from the State DOE, and includes in-kind services. The School Resource Officer (SRO) and legal fees are also included in the per pupil expenditure.

At this point in time, the BOE has four (4) retirements in hand. Mr. Masciana informed the Council there will be no BOE incentive package this year.

Mr. Oris pointed out that the teacher reductions have been a result of student population reduction and not budget cuts...it is an enrollment issue not a budgetary issue.

According to Mr. Masciana, the BOE priority is to keep class sizes reasonable...at 17/18/19 students per class.

With retirements, teachers would be hired at a lower salary. Mr. Masciana said there are three (3) middle school teachers reduced; +1 elementary teacher; and balancing

retirements where there are reductions; net increase is .5 certified staff next year, including the two school psychologists. Hiring a new teacher for a retirement has a savings of about \$40,000 a year, and the savings depends on the step level.

List of Potential BOE budget reductions/additions – A copy of the list is attached to these minutes.

Mr. Masciana reviewed the list with the Council and discussed the impact of the reductions/additions on the BOE budget. The cumulative total is -\$1,467,630. The higher impact items on the list would affect teaching positions and programs. There is already a \$66,795 pension reduction in the lower impact items.

The list does not include savings from retirements. The Council members talked about the possibility of more teacher retirements coming forward. There are no administrative retirements. In looking at the items on the board Mr. Oris noted there is \$400,000 in medical trust funds, \$120,000 in retirements, \$66,795 BOE pension savings...this is \$600,000 out of the +\$900,000 reduction in the BOE budget. The BOE is looking at further reductions of \$300,000 out of a +\$74M budget...which is less than one-half percent.

Mr. Oris does not see the Council BOE budget reduction impacting the students and programs.

Mr. Masciana stated there would be some reductions to get to the +\$950,000 number. This would include purchases of uniforms and equipment, coaching stipends, transportation...which are the big areas.

Mr. Talbot understands the Council cannot determine the BOE budget spending, but wants to look at where the potential cuts would be made, and if he reasonably sees savings. His issue is not having the comparative data to look at trends, run rates, etc. Mr. Talbot asked the BOE to treat each school as the Town Manager treats town departments. In that way, the BOE and Council looks at the CHS, Dodd, elementary schools, individually...and the run rate on electric consumption, curriculum materials, etc. The Council cannot get this information at this time, and Mr. Talbot wants numbers, ability to look at numbers for comparable savings. Without the information required, Mr. Talbot cannot do his job for the taxpayers and school system, because he is doing it in the dark...he needs the numbers to lay out what is reasonable.

It was stated by Mr. Oris that he is good where the Council is with the FY 19-20 budget, knows taxpayers are hurting in this economic environment, and mill rate increases should be kept in check. The school system must be funded properly; the Council must represent everyone in the community; keep the town affordable for everyone as it loses State money. Regarding the proposed teacher retirement contribution, Mr. Oris pointed out it is a separate line item in the budget at close to \$300,000. When fully implemented this will be a cost of \$1M. This year the Council is not looking to the BOE to absorb this

cost. Mr. Oris is okay with the 0.60 mill rate increase. He noted the Council does not “cut” the BOE budget; it is a reduction of the BOE requested budget increase; and the BOE budget is appropriately funded during these tough times.

The school modernization plan was raised by Mr. Oris who said it is a plan to be considered and advanced in some way. This plan will take more tax dollars and be a burden to the community. The Council and BOE must support this plan and work together.

Ms. Flynn-Harris commented on the Town side of the budget absorbing the \$290,000 teacher pension contribution expenditure this year, which is a big cost that will grow each year. The Council has been supportive of the school modernization plan moving forward; the last proposed plan was too costly; everyone is committed to working on this plan; it will have a great impact on the taxpayers; and it is a hard balancing act.

While school modernization is important and should be considered by the Council, Mr. Slocum said it cannot be adequately considered unless there is a real BOE effort to consider redistricting of the schools. There could be savings found in the operation of the school buildings; it's an important first step; and may result in a prescription for school modernization.

BOE Chair Ms. Hallen stated the BOE is aggressively getting into the process of right answers, what can and can't be done, consultation of buildings, redistricting etc. The BOE is on an aggressive meeting schedule, and she invited Councilors to join in these meetings. The BOE has revisited everything including the facilities plan, and will bring something to the Council.

It was noted by Mr. Oris that the Council and BOE worked together on the Alexion plan which was unsuccessful.

These are more capital than operational discussions, and Mr. Bowman commented on consolidation and cost savings as important to the overall plans. We should be out there looking at other solutions...i.e. close Humiston building, redistricting, closing a school, BOE finding a new home, maintenance building at CHS taking up valuable real estate, etc. Mr. Bowman supports the 0.60 mill rate increase.

The issues coming from the State were cited by Mr. Bowman...i.e. family leave act, minimum wage impact, teacher pension liability on the town side this fiscal year, and the possibility of municipalities going bankrupt. There are many pressures on residents, and only so much money to get from the residents to meet the town's obligations.

Ms. Nichols also has concerns, is pleased with BOE proceeding with the school modernization plans, and everything affecting the taxpayer. She noted there are a high percentage of residents over 50 years old, which means there is a burden on those

with fixed incomes. She supports the 0.60 mill rate increase, which is not an effort to discourage the BOE plans.

Town Manager Kimball cited the new mill rate of 33.22 mills, +0.60 mills. To get there, the town side was about \$180,000 away from its adjustments. Total town proportionate adjustment is \$476,000/37%; BOE proportionate adjustment 66.33% or \$952,000, of which \$67,000 was found in BOE pension, resulting in total of \$885,000.

Page 2 of the handout – (attached to the minutes) shows the proposed General Government Adjustments, which total \$179,172 Mr. Kimball briefly reviewed some of the items on the list, clarifying the adjustments.

Other possible cuts are \$18,000 Leaf Collection and \$5,000 Parks and Rec Fireworks.

Workers Comp Rates - \$28,000 savings. Mr. Jaskot noted the increase was originally 3%; it will be a 3% decrease based on payroll increases.

Update personnel vacancy differentials total \$48,957.

Delay Dispatcher to Oct. 1 - \$17,847. This is for Dispatcher #8 in CPD.

Community Pool Vacancy Differentials - \$3,950.

WPCD Adjustments - \$,2644; and Gen. Insurance WPCA Fund -\$602.

Mr. Kimball and his staff will work on creation of the resolutions for the budget adoption on April 30th. They will be e-mailed to Councilors prior to this meeting.

Budget Committee Meeting – set for Tuesday, April 30th, 6:30 p.m. prior to the 7:00 p.m. Council meeting.

4. ADJOURNMENT

MOTION by Mr. Bowman; seconded by Mr. Oris.

MOVED that the meeting adjourn at 8:15 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk