

**TOWN OF SALEM  
BOARD OF FINANCE  
REGULAR MEETING MINUTES  
THURSDAY, MARCH 5, 2020 – 7:00 P.M.  
SALEM TOWN OFFICE BUILDING**

**PRESENT**

William “Skip” Dickson, Chairman  
Marshall Collins, Clerk  
Corinne (Cory) Bourgeois  
Deborah Cadwell  
Janet Griggs  
Hernan Salas  
John Bernier, Alternate  
Maryann Casciano, Alternate

**ABSENT**

Michael Jensen, Alternate

**ALSO PRESENT**

First Selectman Kevin Lyden

**CALL TO ORDER:**

Chairman Dickson called the meeting to order at 7:00 p.m.

**RECOGNITION OF VISITORS:** *none*

**SEAT ALTERNATE IF NEEDED:** *none*

**COMMUNICATIONS:**

A copy of an e-mail from Salem Residents Alfreda Shapere and Catherine Masud, stating their full support of the proposed BOE budget.

**AGENDA:**

**1. APPROVAL OF MINUTES: FEBRUARY 27, 2020 REGULAR MEETING:** *none*

**2. PUBLIC COMMENTS:**

Tiffany Cunningham, 89 Rattlesnake Ledge Road, spoke in support of the proposed Board of Education (BOE) budget, stating that, in the previous year, the Town was able to present a flat budget due to various items such as the East Lyme reconciliation. Nevertheless, the school was impacted as they were not able to hire a teacher and fund the technology department. Unexpected for the FY2020/21 budget is the significant cost increase for the East Lyme Tuition. As member of the BOE, she has worked very diligently to investigate the possibility of engaging in shared services and is open to any ideas the Board might have for the future. Federal and State Grants have been decreasing and their taxes have not been significantly raised for several years. All of these items have converged creating a tsunami for the BOE, citing that during their last BOE meeting, 84 line items were cut to compensate for the funding of one line item. She requested the Board to take their predicaments into consideration.

Salem School PTO President Christine Grillo, 635 West Road; Vice-President Jessica Fletcher, 231 Laurelwood Drive; Treasurer Krystal Hales, 321 Laurelwood Drive, and; Secretary Jocelyn Glidewell, 109 Beckwith Hill Drive, spoke in support of the BOE budget request on behalf of the Salem School PTO. PTO President Grillo stated that they have been working with the BOE to support the school and its students and inform the parents regarding important matters. She felt that the community should invest in their students and the future by investing in the School and requested that the Board carefully review the budget and consider all of the things that they need to prepare the students for future success. PTO Vice-President Fletcher was pleased to see a full room and thanked all of the parents and teachers in attendance and showing their support for the School and its students. The PTO has introduced a petition that has been signed by, not only the parents, but also the members of the community who support the BOE's proposed budget. PTO Treasurer Hales thanked the Board for all of their hard work and hopes that they will be careful in their considerations; the funds are necessary to maintain the School's increasing operating costs and highlights the importance of the teachers, technology, and sports and activities. On behalf of the Salem School PTO, PTO President Grillo thanked the Board for collaborating with them and the BOE; they are very interested in working together as a team to maintain the Town's outstanding community and School.

Clerk Collins asked if they and the community support a 10-11% or 3.5 mil tax increase to support the BOE's proposed budget and the ECS Funding cut. PTO Vice-President Fletcher stated that they have been very transparent and have responded positively to those who asked if the BOE proposed increase would increase their taxes. She added that they are also aware that there are other funds from which the money could derive and have deferred the question to the Board. Chairman Dickson explained that the Unassigned Fund Balance, i.e. Rainy Day Fund, is for one-time, not ongoing, expenses. PTO President Grillo stated that they believe that many move to Salem for their schools and believed that it would be money well-spent; they are interested in collaborating with the Board, BOE, and community and have rallied a support system to listen to how these decisions are made and to keep the communication lines open and do the best they can.

Suzanne Gendron, 39 Salem Ridge Drive North, spoke in favor of the BOE proposed budget increase. She reflected upon the growth of the Town from a quiet town with a quaint ice cream shop to a flourishing community where people are now moving their families and businesses. She felt that the Town has done a disservice to its residents by not making the proper financial adjustments to accommodate for its growth, affecting their safety and quality of life. As a mother of two Salem School students, she felt that the Town has failed to provide the education budget with a simple cost of living increase since 2013 and has continuously asked them to do more with less, causing the administration to make cuts that should have never been made. The budget being presented this evening includes a major increase due to multiple factors, including the BOE's inability to cut their budget any further, non-negotiable expenses, and cost of living expenses. She felt that the Town must make the necessary adjustments and approve the BOE's budget, as proposed. The Town's rainy day has arrived and it is time to expend those dormant funds.

Amy Richter, 643 West Road, spoke in support of the BOE proposed budget, stating that, after investigating the tax increases of the surrounding towns, discovered that the Town of Salem has experienced very minimal tax increases over the last ten years. She felt that it is no longer feasible to support the School with a zero to one percent increase and requested the Board Members to consider whether it would be acceptable to them should their child be a student at the School. She also stated the depreciation of her home as reflected in the payment of her current taxes and her willingness to pay more taxes given the minimal increases they have experienced over the years. While she understands that the Board does not manage the BOE's individual line items, she stated that her children are not line items and deserve a quality education.

Gina Cunningham, 28 Cockle Hill Road, spoke in support of the BOE proposed budget. As a business owner, she stated the importance of meeting the needs of our children and, like a business, the need to budget for any necessary increases.

Shannon D'Aquila Haynes, 46 Round Hill Road, spoke in support of the BOE proposed budget and the possible resulting tax increase. She expressed her appreciation to the Board for all of their hard work, especially in dealing with the State cuts. She requested the Board review the names of those who have signed the petition and recognize that they are not all parents. Having followed the BOE budget for several years, she felt that the School has been underfunded. As a result, the Administration has been forced to push their expenses from year to year. She is hopeful that the Board is considering its technology line item as a separate item. The BOE is faced with numerous uncontrollable expenses, including the East Lyme Tuition, contractual raises, a growing student population, and decreases in State funding special education costs. The proposed BOE budget is a bare-bones budget. It is important to maintain the School's high ratings as it is what many look at when they consider where to live and raise their children and helps to maintain or increase the values of their homes. She felt that the residents are generally in favor of supporting the children and providing them with the best possible education.

Allison Collis, 206 West Road, who recently moved to Salem for the school system, spoke in support of the BOE proposed budget. She stated that she has extensive experience crafting the budget for the school system where she is currently employed and, in reviewing the proposed budget, confirmed that it is, in fact, a bare-bones budget. She stated that at their previous residence she witnessed first-hand the negative effects of a declining BOE budget and requested that the Board carefully consider the proposed budget.

T.J. Butcher, 248 Norwich Road, also spoke in support of the proposed BOE budget and thanked the Board for their hard work. He stated that, four years ago, a small class of students was slated to attend East Lyme High School (ELHS) and the Board of Finance was able to save some money. At that time, a promise of the future should have been made regarding the funding for the following, larger class that would be entering the High School. The savings that have been gained over those four years might be raised as a "selling point" to the residents as they strive to explain the impending tax increase. Unfortunately, simultaneously, the High School will also be increasing its tuition rates by 6% for the regular education students and an inordinately large

number of special education students will be attending the High School, resulting in a significant cost increase. Should the increase not be funded, the funds would derive from the programming at Salem School. Additional staffing would allow for more manageable class sizes of 17 to 18 students, rather 25 to 26, enabling them to continue to properly support the special education students who are integrated into these classrooms. Given these factors, he believed that a tax increase would be justified and the residents would support the increase. While recognizing that many may struggle with the increase, he felt that the students deserve the same quality of education that the students who came before them received. He also felt that the BOE budget no longer contains any “fluff” and should be financed at the appropriate level. Otherwise, he stated, the quality of education would decrease. He encouraged the Board to support a tax increase and thanked them for their time.

Aron D’Aquila, 46 Rathbun Hill Road, spoke in support of the proposed BOE budget, stating that “where we put our money represents our values” and there is no better investment of our money than in our children. He felt that the residents realize when they move to the Town that Salem is a high-tax town; it would be to its benefit to be a high tax town with an excellent school system and view the education it provides as a community asset. He thanked the Board for all of their efforts.

David Bingham, 50 White Birch Road, spoke in support of the proposed BOE budget. Having attended Salem School 74 years ago, he reminisced about his parents fighting for the funding of the school on an annual basis. He recalled that his favorite year in school was when they hired an additional teacher for one of his classes, helping propel his education forward; funding the teachers, he felt, is very critical to the lives of the students. Unfortunately, the funding of schools in the State is primarily through its taxes causing those on fixed incomes and those who have experienced major financial losses with great difficulties. Compared to most other towns, the Town of Salem has a disproportionate number of both regular and special education children per household due to its school system. He felt that the Town should do what is necessary to provide its children with the proper education and encouraged the residents to voice their issues to their State representatives, who, he felt, have not adequately represented their needs.

Jessica Fletcher, 231 Laurelwood Drive, spoke with regards to their discussion regarding the BOE’s technology budget at their February 14 Regular Meeting. She stated her experience as a volunteer for the first-grade class as the children transform from being excited to feeling frustrated as they struggle to learn how to read on outdated iPads. She also responded to the suggestion of utilizing aides or student-teachers for the larger classrooms, stating that their goal is not to place additional bodies into the classrooms, but to eliminate the bodies. She reminded the Board that the budget includes special education costs up to the age of 21, East Lyme tuition costs, occupational therapies, and teacher contracts, leaving very little funds to be allocated for the students, themselves.

Chairman Dickson explained the budget process, stating that the Board will hear, discuss, and, possibly, decide upon the BOE’s budget proposal this evening. The Selectman’s proposed budget will be presented next week and, the following week, all of the budget proposals and revenues

will be compiled, reviewed, and further discussed. Revisions to the budgets for each of the departments may be made and the proposed budget will be finalized. A Public Hearing, followed by a Town Meeting, where line items may be adjusted by vote, will be held. The budget will, then, be submitted to a Referendum for a final vote by the townspeople. There is no deadline when the budget must be finalized. The State's budget is not finalized until after the Town's budget is finalized. As such, the Town is subject to any changes the State might make that will affect their budget.

**3. APPOINT BOARD OF FINANCE ALTERNATE TO FILL POSITION PER SECTION 3.09A OF SALEM TOWN CHARTER**

**M/S/C: Collins/Salas, to appoint Dean Wojcik to fill a vacancy as an Alternate Member of the Board of Finance. Discussion: None. Voice vote, 6-0, all in favor.**

**3. ACT ON PROPOSED APPROPRIATIONS FOR FY2020-2021**

First Selectman Lyden stated that the Town Auditor has confirmed that the purchase/replacement of the iPads for the kindergartners and first-grade students to accommodate the reading program in the amount of \$106,000.00 may be moved from the BOE budget to the Town's Capital Plan. In addition, approximately half of the funding for the Salem School Roof Replacement project and the de- and re-installation of the fuel tanks will be reimbursed by the State. The School's HVAC System and fuel tanks located at Town Hall, which supplies fuel for the school buses, Public Works Department, and emergency vehicles, will not be reimbursed.

**A. REVENUES**

**DEPARTMENT #91 GENERAL PROPERTY TAXES**

The 2019 Grand List Net Assessment Totals, as of January 23, 2020, reflects a total growth of approximately 1.8% or \$225,000.00 from the previous year. Based on the expected revenue at the current mill rate of 32.2, the revenue for Department #91, General Property Taxes is expected to increase by \$202,878.00 or 1.7% for a total expected revenue of \$12,254,010.00.

**DEPARTMENT #92 STATE/FEDERAL GRANTS**

The State/Federal Grants, Department #92, is expected to increase by \$2,652.00 or 0.63% for a total expected revenue of \$421,113.00.

**DEPARTMENT #93 STATE/FEDERAL GRANTS FOR EDUCATION**

First Selectman Lyden explained that the Adult Education (Line Item 4-093-036) Grant funds are deposited into the Town's General Fund and passes through to the BOE. Though Line Item 4-093-035 for the Education Equalization (ECS, Educational Cost Sharing) Funds reflects an increase, the funds will actually decrease by approximately \$103,000.00 to \$2,626,251.00. The total expected revenue for Department #93, State/Federal Grants for Education, is expected to increase by \$98,994.00 or 3.91% for a total expected revenue of \$2,630,317.00.

Brief discussion ensued regarding the actual and proposed numbers for the Education Equalization line item.

**DEPARTMENT #94 LICENSES & PERMITS**

The total expected revenue for Department #94, Licenses & Permits, is \$161,000.00, which is an increase of \$4,100.00 or 2.61% from the previous year.

**DEPARTMENT #95 CHARGES FOR CURRENT FEES**

The total expected revenue for Department #95, Charges for Current Fees, is \$26,050.00, which is an increase of \$1,650.00 or 6.76% from the previous year.

**DEPARTMENT #96 REVENUE FROM THE USE OF TOWN MONEY**

The total expected revenue for Department #96, Revenue from the Use of Town Money, is \$45,000.00, which is a decrease of \$20,000.00 or 30.77% from the previous year, due to reductions in interest rates.

**DEPARTMENT #97 MISCELLANEOUS REVENUE**

The total expected revenue for Department #97, Miscellaneous Revenue, is \$46,000.00, which is a decrease of \$3,350.00 or 6.79% from the previous year.

The total expected revenues for the Town of Salem is \$15,583,490.00, an increase of \$286,924.00 or 1.88%.

First Selectman Lyden commended Tax Assessor Michael Kapinos for his hard work in ensuring that residents are appropriately taxed. The Town is currently at a 98% collection rate.

**B. BOARD OF EDUCATION (BOE) BUDGET**

BOE Chairman Sean Reith introduced himself and recently hired Assistant Principal Daniel Driscoll, who presented the School's SBAC scores.

**SBAC Scores**

Assistant Principal Driscoll stated that the School currently administers SBAC (Smarter Balanced Assessment Consortium) Tests, a computer-based testing system for both Language Arts and Mathematics. Beginning last year, the School also administers the NES (National Evaluation Series) Test. The SBAC scores are based on a four-level scoring system. The School aims for each student to score at level 3 or better.

Mathematics – In 2015, 71% of the students scored a 3 or above in mathematics. This has remained consistent over the years, with a slight dip to 63.8% in 2018 for which adjustments to staffing were made. The score was quickly raised back up to 71.4% in 2019. Their scores are, for the most part, consistently above those of East Lyme and ranks, for the most part, in the top 5 of the DRG (District Reference Group), which compares the scores from towns with the same socio-economic status. There are 30 districts included in the DRG.

Language Arts – The scores for Language Arts are higher, ranging from 75 to 80% since 2015 and have ranked within the top 10 in the DRG. Similar to Mathematics, the students have scored consistently higher than those of East Lyme and the State of Connecticut.

He felt that they have excellent scores and stated that, since he started working at Salem School last month, he has been very impressed with the school and commended the teachers, the culture, and the overall school climate.

### **BOE Proposed FY2020/21 Budget**

BOE Chairman Reith provided a PowerPoint presentation of the BOE proposed budget, which includes a \$1,006,942.00 or 9.66% increase. The budget was crafted in partnership with the Administration; they sought to support and continue to improve the quality of education for their K-8 students and fulfill their mandated and contractual services. While they do understand the ECS funding cuts, he explained that their budget is an expense budget and does not take revenues in consideration.

Operating changes that have occurred during the SY (School Year) 2019/20 includes the reduction of the Assistant Principal from a 12- to 10-month position and the addition of one in-house Autism Aide and one Grade 3 Tutor.

Expected changes for the SY2020/21 includes an increase of 10% in the High School student population and an approximately \$106,000.00 increase for the technology upgrades.

### **Budget Summary**

As in previous years, the budget is divided into four sites:

	% of Overall Budget	Proposed Increase
Salem School	55.1%	5.68%
East Lyme High School	29.2%	18.60%
Central Office	6.9%	2.50%
Out of District Services	8.8%	14.37%

The budget is also divided into the following four categories of expenses:

	SY2019/20 Proposed	SY2020/21 Proposed
Contractual <i>includes multi-year contracts for such items as salaries, benefits, and transportation</i>	55%	52.1%
Discretionary <i>includes instructional supplies, activities, and technology costs</i>	5%	4.6%
Negotiated Contracts <i>includes annual contracts for fuel, electricity, and maintenance contracts</i>	5%	4.6%
Student Population-based Costs <i>includes ELHS Tuition, Special Education Services, Out-of-District Costs</i>	35%	38.7%

### Budget History

The BOE's Budget History, reflecting both the changes and/or trends in the costs of each of the categories and overall, were presented and briefly discussed. With the inclusion of the significant SY2020/21 proposed request, the BOE's total budget requests, since FY2008/09, is 1.46%. While recognizing the anomaly that occurred in May 2019 due to unexpected expenses that exceeded their unencumbered funds, resulting in a Town Meeting to approve the allocation of \$100,000.00, a total of \$366,525.00 or an average of \$61,088.00 of unencumbered funds have been returned to the Town over the last six years. It was noted that \$47,354.25 of the additional allocation of \$100,000.00 was unexpended and subsequently returned to the Town. In response to Board Member Bourgeois, he confirmed that the \$117,495.00 in funds that were returned to the Town excludes the funds that were allocated for technology, per their discussions with the Board in SY2017/18.

Clerk Collins expressed his concerns regarding the renegotiation, rather than the submission of a request for bids, for their long-term network infrastructure and IT-related services contract and questioned the existence of a BOE policy regarding no-bid contracts. Chairman Reith stated that he did not believe the BOE had such a policy and added that he understood Clerk Collins' concerns and the issue is being heavily discussed by the BOE.

### Reconciliation History

Following an audit, the funds paid to East Lyme for the students tuitions are calculated and their account is reconciled. As the result of the reconciliation, funds were returned to the Town last year for the first time in many years. Fortunately, funds will, again, be returned to the Town for SY2018/19 in the amount of \$53,000.00. In response to Clerk Collins, those funds are reflected in the East Lyme High School Net of their budget.

### Cost Drivers

The three main items driving the costs include:

East Lyme High School Tuition Rates – Increases in the tuition rates for regular education and special education students in addition to the increased number of students who will be attending the high school in SY2020/21 significantly impacts the budget. The formula utilized to calculate the tuition rate is based upon the Co-Op Agreement, the audited State EFS (Education Financial System) expenses, and the cost and population of the East Lyme School District minus any transportation and special education costs. A 6% surcharge for emergency services is added to the tuition. The cost to educate a regular education student at ELHS is approximately \$13,900.00. There is no cap. A rough estimate of their future costs could be determined by utilizing the High School's EFS expenses, their approved budget, and the estimated number of Salem students who will be attending the ELHS.

Out of District Costs for Special Education students and Magnet School students. He added that it is more costly to educate a student who attends ELHS than a Magnet School. The number of students who will be attending a Magnet School is expected to increase in SY2020/21 from 16 to 22.

Salem School/District Budget includes salary increases, insurance costs, network software licenses, addition of 1st and 4th grade certified teachers (includes benefits), technology upgrades, and sports programs.

Efforts to Control Cost Growth that have taken place in the past include the certified teacher contract negotiations, offering of early retirement packages, extension of the bus transportation contract, reduction of administration costs (includes reduction of Assistant Principle position from 12- to 10-months and zero percent salary increases for the Director of Special Services and Superintendent), and shared lunch program services with East Lyme.

Limited discussions have taken place regarding the offering of an early retirement package, but, due to the BOE's current financial status with only \$20,000.00 in unencumbered funds, they are not able to offer an incentive package.

Future cost savings that are being addressed by the BOE include the establishment of a non-lapsing account, the network contract extension, and the installation of an off-site solar power generation. Detailed solar power presentations have been provided to the BOE and it was determined that a savings of approximately 35% would be gained should solar panels be installed on the new portion of the school roof and more than 50% for the installation of panels on both the old and new roof. Because the roof has been problematic and is flat, it was decided that the placement of solar panels on the roof would not be feasible.

Budget Breakdown by Site was reviewed.

Salem School – The \$338,437.00 or 5.68% increase is primarily due to the technology upgrade and the addition of two certified teachers. It was corrected that the annotation related to Office/Media Support Personnel (Page 2) should read 5.6, rather than 5.0 FTE.

Central Office – While she is aware of the BOE's efforts to share services, Board Member Bourgeois questioned whether the BOE has benchmarked the need for and funding of a centralized office for a population of fewer than 500 students with other towns. Chairman Reith stated that he would be able to present the data they have compiled regarding the administrative and district structure for towns with a comparable student population in the near future. There have been no efforts made to centralize their office with these towns. Business Manager Kim Gadaree noted that the Central Office has, in many ways, already been consolidated, noting that both the Superintendent and Director of Student Services are 0.5 positions; smaller districts who share a Business Manager also have assistants who work under him/her, whereas in Salem, she handles both roles. The roles of the Central Office positions were explained by Superintendent Joseph Onofrio, who stated that the Superintendent and Director of Student Services are considered District employees responsible for the education of all Salem students, including the 700 ELHS students. The Director of Student Services is also responsible for all of the special education students to 21 years of age. The Principal and Assistant Principal are responsible for the students who attend Salem School. Their roles will be provided to the Board in writing. Based upon an analysis made by former BOE Member Phil Teixeira, the allocation of 7% of their total

costs to the Central Office is low. Clerk Collins stated that it is his understanding that the Principal and Assistant Principal are responsible for the quality of education each of the students receive, the running of the building, and evaluation of its teachers and the primary responsibility of the Superintendent is to ensure that the District is in compliance with the State and to make budget preparations. Contrary to the Superintendent, Clerk Collins felt that the allocation of 7% to the Central Office might be high.

In response to Board Member Casciano, the line item for benefits, which includes unemployment insurance, workers compensation, social security, and Medicare, will be investigated with regards to the negotiated portion of the line item.

East Lyme High School – The special education services were not budgeted the previous year and, as such, reflect a 100% increase. The tuition reflects an increase of 16.65% due to the delta created by the funds received from the East Lyme reconciliation. While the number of general education students will be increasing by 15 students for SY2020/21, the number of special education students will be decreasing by one.

Out of District Services reflects an increase of 14.37%, due primarily to an increase in special education services.

Staffing Updates include the addition of a 1.0 FTE first-grade teacher and 1.0 FTE fourth-grade teacher and the re-structuring of the Assistant Principal position from a 12- to 10-month position.

Salem School Enrollment reflects the number of students and teachers and student-teacher ratios for each of the respective grades. The number of students for SY2020/21 is based upon the NESDEC (National School Development Council) projections. The numbers for the SY2019/20 are the budgeted numbers; the current total number of students enrolled is 421. The 17.64 FTE Tutors and Aides are distributed as follows:

<u>Grade</u>	<u>Aides</u>	<u>Tutors</u>			
Pre-K	0.72	0.92			
K	3.00	–			
1	–	1.00			
2	–	1.00			
3	–	1.00			
4	–	1.00			
5	–	1.00			
6	–	1.00			
7	0.50	–			
8	1.50	–			
<u>Autism Program</u>	<u>5.00</u>	<u>–</u>			
<b>TOTAL</b>	<b>10.72</b>	<b>6.92</b>	<b>+</b>	<b>= 17.64 FTE</b>	

There are currently 48 - 7th-grade students and 52 - 8th-grade students enrolled at the School. The NESDEC projections indicate that the number of students, overall, will increase by four and, while teachers have been transferred from one classroom to another in the past, the Administration is proposing to maintain the current class structure, based upon the population of each of the grades.

#### Staff vs. Student Enrollment

With the two additional teachers, the teacher-student ratio would be maintained at, relatively, the same level from SY2006/07 (18.2 ratio) to SY2020/21 (19.0). The Custodians, Lunch Aids, Office staff, and Administration has remained fairly constant over the years. Board Member Griggs added that, by contract, the maximum class size, without an aide, for grades K to 4 is 25 while those for grades 5 to 8 is 27. When asked about the sudden increase in the number of aides, Director of Student Services Donna Gittleman stated that a structure shift occurred when the State Department of Education instituted an instructional strategy known as SRBI (Scientific Research Based Interventions) in an effort to avoid the over-abundance of students being referred for special education. Specialists are now required to work with the children and the number of aides was subsequently increased based upon the students' specific needs.

#### East Lyme High School

Approximately \$166,000.00 of the 9.66% proposed budget increase is due to the tuition rate increase. The number of students who will be attending ELHS is, as previously stated, projected to increase by 15 regular education students and the added tuition cost per student is slated to increase by \$855.94. While the number of special education students is projected to decrease by one student, the added tuition cost per student will be increased by \$873.00. Over the past five years, the tuition rate has increased by 14% for regular education and 13% for special education students. While understanding the need to review their past trends, Board Member Salas recommended the BOE create a two- to three-year projection of estimated costs, based upon the current Salem School enrollment which would help them plan for the future. Clerk Collins noted that, while there will be an increase of 15 students in SY2020/21, it will be followed by a reduction of students in the following years. Board Member Casciano also suggested presenting the actual, rather than budgeted, enrollment of students. In response to Board Member Bernier, Business Manager Gadaree stated that there are currently seven students attending Grasso or Norwich Technical High School and are projecting that six students will be attending a Technical High School next year. Two students are currently attending Lebanon Regional Agricultural Science & Technology Center.

#### Out of District Costs

The costs for tuition, transportation, and SPED (Special Education) Services are slated to increase for Out of District students, which includes those who attend Magnet Schools, Vo-Ag, and Special Placements. The number of students will be increasing from 28 to 36 students, increasing from \$878,573.00 to \$1,004,854.00.

### Summary

Chairman Reith stated that 65% of the proposed increase is due to Out-of-District and ELHS expenses and 35% of the increase is due to expenses deriving from Salem School, including 10.5% for the technology upgrades, 11.9% for the additional teachers, and 13.1% for the inflationary growth of insurance, salaries, utilities, and fuel costs. The BOE is concerned with the consequences that could derive from their inability to fund the two additional teachers and the technology upgrades to adequately teach the students. He stated their overall willingness to work together with the Board to discuss and derive at the best solution for the Town.

### Questions

The following responses were provided to Clerk Collins' questions:

- The weekend custodian was not included in their SY2019/20 budget and, likewise, will not be included in their SY2020/21 budget. The item has been moved to the Town's budget.
- The \$9,643.00 budgeted amount for Adult Education is the net amount of the \$4,066.00 grant that is to be received from the State.
- A reduction in the cost for the maintenance of Bingham field is not reflected in the proposed budget as the item was being proposed as an additional item and has been moved to the Town's budget. Approximately \$3,200.00 of the \$8,450.00 Grounds Maintenance line item was allocated to the athletic field maintenance. Business Manager Gadaree stated that the line item is one of many non-essential items that are conservatively spent throughout the year in preparation for any unexpected expenses that might occur. First Selectman Lyden added that \$11,000.00 is included in the Town's Public Works budget for FY2020/21 for heavy field maintenance for Bingham Field.
- Those children whose families are unable to pay for any field trip cost(s) are funded by donations that are received from companies and deposited into a separate fund. BOE Chairman Reith added that the PTO, which is very supportive and active, also provides some funding.
- The Director of Student Services volunteered to forgo her salary increase so as to enable a 2% salary increase for the newly-hired Assistant Principal.

While he understands that the BOE budget is an expense budget, Clerk Collins stated his wish to also see their revenues. Board Member Griggs stated the possibility of including an annotation within their budget for transparency's sake.

In response to Chairman Dickson, BOE Chairman Reith did not feel that it would be possible to manipulate the ELHS tuition, which is based on the EFS Audited District-wide expenses. Their projected tuition costs for SY2020/21 are based upon the 2018/19 School Year and certain assumptions are made based upon the projected enrollment of students.

The Board expressed their appreciation to BOE Chairman Reith and the Administrative staff for their presentation.

*The short break was taken at 10:11 p.m. The meeting resumed at 10:16 p.m.*

Extensive discussion ensued regarding the BOE's proposed budget. Clerk Collins felt that, due to the expected ECS Funding cuts, an additional \$102,000.00 must be added to the BOE's proposed budget. Excluding the ELHS Tuition and Out of District costs of \$649,198.00, which is non-negotiable, and the \$106,000.00 technology upgrade, which will be moved to the Capital Plan, the Board is left with approximately \$454,000.00. In addition, approximately \$105,000.00 of the Town's revenues would need to be allocated for the revaluation. Board Member Griggs stated that several residents have expressed that the ECS Funds are Town and not School revenue cuts and should not be considered as the Board decides how much to fund the BOE. Clerk Collins disagreed, stating that the ECS Funds are funds that are provided to the towns for education. It was noted that the revenue decrease has already been accounted for in the Town's revenues (Department 93, State/Federal Grants for Education). Board Member Bernier was encouraged that the total expected revenues would be increasing by \$286,924.00.

Board Member Salas questioned how much of the Unassigned Fund Balance the Board willing and able to allocate to fund the BOE's proposed budget request. The possibility of utilizing part of the Town's Unassigned Fund Balance to fund the ELHS Tuition increase was discussed. Clerk Collins expressed, and Board Member Casciano agreed with, his discomfort with utilizing the Unassigned Fund Balance to fund ongoing expenses. Chairman Dickson disagreed, stating that the funds would not be built into the budget as an ongoing expense, but would be allocated for only a designated period as a way to alleviate the tax increase. Board Member Salas roughly reviewed the numbers, taking into account the Town's additional revenue, the BOE technology upgrade, and requesting the BOE to cut their proposed budget, resulting in a tax increase of 1 mil (approximately \$350,000.00 or 3%).

Clerk Collins expressed his issues with the BOE budget, including the increases in utilities and the no-bid contract. Board Member Bourgeois reminded the Board that they cannot dictate from where the cuts should derive and expressed her concerns that any cuts the Board makes to the BOE budget results in cuts from those areas that affect the children the most, e.g., the additional teachers, when there are other areas from which the funds could derive. Board Member Salas noted that every year they receive complaints regarding the cut to their budget, but every year funds are returned to the Town. Board Member Griggs stated that in the previous year, Title I Funds, which are no longer available, were utilized to offset part of their costs.

The possibility of helping fund the teacher retirement incentives with the Town's Unassigned Fund Balance was proposed. Clerk Collins expressed his reservations as the State seeks to shift the costs of the teachers' retirements to the towns; encouraging an early retirement incentive could increase their costs in the future. First Selectman Lyden stated that the Town's liability for teachers' retirement is approximately \$1 million and agreed that the potential does exist. In response to the Board's question regarding the possibility of including an early retirement incentive to the teachers, BOE Chairman Reith stated that the item could be added

to the next BOE agenda for discussion and action. The item would not affect the current budget, but would be a possibility for future budgets.

**M/S/C: Cadwell/Collins, to move and allocate the following line item and funds to the FY2020/21 Capital Plan:**

**BOE Technology Hardware (Computers, iPads) \$106,348.00**

**Discussion: In response to Board Member Salas, BOE Chairman Reith stated that part of their current contract negotiations include both a lease vs. purchase option for either all or part of their equipment. There is no contract at the current time and, as a Capital item, the purchase would be required to go to bid. Voice vote, 6-0, all in favor.**

The revised BOE proposed budget for FY2020/21 is \$11,326,000.00.

For their next meeting, the Board requested the following information from the BOE: utilities (electric and telephone), technology contract, and benefits for the Central Office for both the contractual and negotiated staff. The student breakdown for grades 7 and 8 was provided to the Chairman who will distribute the information to the Board Members.

First Selectman Lyden, who felt that the 6.5% increase for the ELHS regular education students was very high, volunteered to speak with the East Lyme First Selectman and/or Superintendent regarding the possibility of reducing the increase. BOE Chairman Reith expressed his openness to such a discussion and reminded him that the increase is based on their audited State EFS (Education Financial System) expenses from two years prior.

**OLD BUSINESS:** *none*

#### **ADJOURNMENT**

**M/S/C: Cadwell/Collins, to adjourn the meeting at 10:53 p.m. Discussion: None. Voice vote, 6-0, all in favor. Meeting adjourned.**

Respectfully Submitted by:

Agnes T. Miyuki, Recording Secretary for the Town of Salem