

TRUMBULL PUBLIC SCHOOLS

TRUMBULL, CONNECTICUT

Finance Committee Of the
Trumbull Board of Education

Meeting Minutes

Date of Meeting: Thursday, May 26, 2022

Attendees: Committee Members: Jackie Norcel, Julia McNamee, and Chris Bandecchi (via Google Meet); Staff: Paul Hendrickson and Peg Brindisi; Public: Michael Barker and Cynthia Katske (via Google Meet)..

Location: Long Hill – Ellie’s Room

The meeting was called to order at 4:31 pm.

The minutes of the April 26, 2022 meeting were approved unanimously (Mr. Bandecchi moved, Ms. McNamee seconded).

Mr. Hendrickson reviewed the financial reports as of April 30, 2022 including:

- a. Fund 001 the BOE General Fund
- b. Fund 009 the Town’s Fund for Non-Public school expenditures
- c. Fund 100 Student Activities
- d. Fund 200 State and Federal grants
- e. Fund 205 Special Revenue Funds
- f. Fund 210 Food Service
- g. Fund 300 Scholarships formerly Expendable Trust

Mr. Hendrickson stated that the cumulative percentage of budget spent year-to-date was 74.0%; in the past three years the percentage has ranged from 73.4% => 78.7%. He stated that salaries YTD were 70.3% of the salary budget while in the past three years salaries YTD have ranged from 68.3% => 72.1%. Salaries are approximately 66% of the budget.

The Town Accounts (009) had year-to-date (YTD) expenses of \$747,536 or 59.4% of the budget.

The Student Activities accounts (100) increased \$36,667 from \$326,912 (3/31) => \$363,579 (4/30)

In reviewing grants (200), Mr. Hendrickson mentioned that all grants had been funded. The only account in deficit is the ESSER – Dyslexia grant which is due to encumbrances.

The Special Revenue Funds (205) had several accounts in a deficit position, two of which should be self-liquidating: THS AP Testing and Voluntary Insurance. A few accounts are in deficit due to encumbrances and deferred revenue.

The Lunch Account (210) had a profit in April = \$93,044 while March = \$237,352; the difference is due to 15 school days in April compared to 22 in March. Under the Seamless Summer Option (SSO) the District had submitted its lunch claims for March (\$463,479.38) and April (\$319,826.96), totaling \$783,306.34. The cash balance (4/30) = \$1,348,705 while the "Due to Town" account = \$934,495, resulting in a \$412,210 net cash position.

The Scholarship Fund (300) has had a net increase of \$35,706 since July 1st (\$128,362) => March 31st (\$164,068); the increase is primarily due to contributions of \$39,571 to the Chelsea Cunha fund.

Ms. Julia McNamee made a motion to accept the Financial Report and forward it to the Board of Education. The motion was seconded by Ms. Jackie Norcel. The Committee voted unanimously to forward the Report to the Board of Education.

The meeting was adjourned at 5:34 pm.

Respectfully submitted,

Paul Hendrickson

Attachments

May 26, 2022 – Board of Education Finance Committee Report

Operating Budget (001):

- 1) The presentation begins with four graphs: Total Budget, Salaries, Benefits, and Utilities which illustrate the cumulative spend as a percentage of the respective budget.
 - a. Cumulative Total Board of Education Budget % by Month: 74.0% YTD
 - i. In the past three years this has ranged for 73.4% => 78.7%.
 - b. Salaries (which are approximately 66.0% of the budget) spent YTD = 70.3%
 - i. In the past three years this has ranged from 68.3% => 72.1%.
 - c. Benefits (which are 16.7% of the budget) spent YTD = 81.2%.
 - i. In the past three years this has ranged from 85.3% => 91.9%.
 - ii. Salaries and benefits make up 82.6% of the budget.
 1. Through April 30, 2022, we have spent 72.5% of the combined budgets.
 2. The range over the past three years has been 72.1% => 74.8%.
 - d. Utilities (Electricity + Water) spent YTD = 70.9% of budget.
 - i. Last three years: 65.9% => 105.1%
- 2) There are a few items I would like to point out under the **bolded** categories below (please refer both to the two-page summary and the fourteen-page detailed general fund financials in the package):
 - a. **Salaries:**
 - i. Paraprofessionals over budget by \$163,242.
 1. Due to significant post-budget para hiring as a result of move-ins.
 2. The deficit has been reduced since last month based on our examination of the run rate and encumbrances,
 - ii. Teachers have an available balance of \$1,250,042.
 1. Most likely this is due to the fact that no provision was made for staff turnover in the 2021-22 budget.
 2. A few teachers were moved from the operating budget to the Title I grant.
 3. \$300,000 has been budgeted for staff turnover in the 2022-23 Board of Education approved budget.
 - iii. Custodial Salaries: \$90,758 available
 1. The encumbrances were adjusted based on open positions in the Facilities Department.
 2. Currently four open positions; there were five, but Mr. Cote hired four people and three retired; net gain = one hire.
 - iv. Custodial Overtime Related accounts: -\$121,024 (total)
 1. Custodial Overtime: -\$82,976 deficit;
 2. School Overtime: -\$23,298;
 3. Snow removal: -\$14,750;
 4. This deficit is primarily due to the custodial positions being short staffed.
 - v. Total Facilities / Maintenance Salaries: \$19,864 available

- vi. Tech Support: \$41,228 available;
 - 1. The Tech-Dist A/V/Ch-17 Technician position was budget for in 2021-22, but not filled; salary = \$39,698. It is not included in the 2022-23 budget.
- vii. Substitutes – Substitute Administrators: -\$76,911 deficit.
 - 1. This is a new line item, a substantial contributor to the Substitutes' \$228,777 overage.
 - 2. The salary expense for Ms. Pat Frillici, who substituted for Dana Pierce at Booth Hill, has been placed here for transparency. This has ended.
- viii. Salaries – Other: Available balance = \$42,546
 - 1. This \$13,154 increase in available balance from last month's \$29,392 => \$42,546 is due to the examination and reduction of encumbrances from the Tutors Homebound and Tutors Tutorial accounts.
- ix. Miscellaneous Salary Items: Available balance = \$30,140
 - 1. This reduction of \$27,670 in available balance is entirely due to Retiree Payments.
- x. Overall the available balance in salaries increased \$249,818 from \$708,285 => \$958,103.

b. Employee Benefits:

- i. The available balance in Health Benefits = \$89,623.
- ii. Unemployment expense in March was only \$533; the encumbrance was adjusted last month which resulted in \$90,000 of available balance.
 - 1. Last four years' spend for this account has been \$27K, \$10K, \$128K, and \$72K.
- iii. Due to greater participation in the 401(A) savings plan the encumbrance was increased and results in a \$44,738 deficit in this account.
- iv. Total available balance in all benefits accounts = \$149,150.

c. Purchased Professional Services:

- i. Legal – The available balance remained the same month-to-month at \$9,025.
 - 1. There may be more available balance; however, legal invoices are not timely, so this is difficult to predict.
- ii. Service Contracts – Available balance = \$6,561 down slightly from \$9,560 las month.
 - 1. The primary items in this category are:
 - a. PPS-Health Services-Service Contracts is over budget by \$2,476.
 - b. Business Office – Admin – Prof. Purchased Services: The District's financial software - MUNIS = \$80,117
 - c. Asst. Super-Info Svc-Dbase Students: Infinite Campus = \$170,713
- iii. Consultants – PPS (\$208,147 over budget in January, \$153,522 in February; the March balance = -\$21,747; and April balance = -\$40,397.
 - 1. This is a reduction of \$167,750 since January.
 - 2. This line items consists of a variety of blanket purchase orders covering a wide range of PPS services.

3. Since \$163,071 has been spent to date and \$28,493 spent month-to-month, it appears unlikely that the encumbered \$102,327 will be spent before yearend.

d. Purchased Property Services:

- i. Utilities (Electricity + Water) spent 70.9% of budget (previously mentioned).
 1. Last three years: 68.9% => 105.1%.
 2. However, Natural Gas (under Energy in the Supplies section) has only \$25,173 remaining in its \$435,000 budget. Based on Mr. Cote's year end estimate, \$120,00 has been added to this account's encumbrances and is reflected in this month's financials.
- ii. Repairs and Service Fees: Director of Operations, Dave Cote desired greater granularity in his budget, so more line items were added (note that they have no budget). His overall budget did not change, he just added spending lines for more transparency.
 1. One item that I would like to point out is HVAC – Repairs and Service Fees is \$83,875 over budget.
 - a. One electric controller was literally fried – it cost \$62,901 to replace; however, the District received \$37,901 in insurance receipts (\$25,000 deductible).
 - b. Another controller had to be replaced due to an inability to get spare parts; it cost \$61,988.
- iii. The deficit increased \$26,872 from \$121,815 => \$148,687; the contributors to this increase were encumbrances for:
 1. \$11,450 for Facilities – Electrical for work on the baseball field lighting.
 2. \$6,689 for Facilities – Maintenance for OmniData annual license for security kiosks.
 3. \$9,474 for Facilities – HVAC for a rebuild of an AgScience rooftop RTU.

e. Purchased Other Services:

- i. Transportation – Over budget: \$193,074 v. \$18,148 available last month.
 1. SPED Summer Buses: Finished \$93,539 over budget.
 - a. This is because prior administrations allocated part of the Excess Cost Reimbursement (ECR) to this line item artificially reducing the actual cost.
 2. The total available balance went into deficit predominantly due to increase / trueing up of Special Education transportation.
- ii. Tuition: Over budget: \$357,470 down slightly from \$372,574 last month;
 1. An increase of over \$90,000 in the month-to-month deficit. The deficit was 280,296 in February and \$90,058 in January.
 2. There were unexpected settlement payments.
 3. The tuition line also includes payments to Bridgeport for magnet school tuition.
- iii. Other Purchased Services: \$57,954 available, down slightly from \$68,267 last month.
 1. Super-Personnel-Other Purchased Services: \$55,534 over budget.

2. NovaTime and Frontline are the primary items in this category.
3. In 2020-21 the District settled up with NovaTime on deficient payments.
4. In the fall of 2021 the District added some more Frontline applications and an Employee Assistance Program which caused a good part of the budget overage.

f. Property

- i. Building equipment: -\$130,304 over budget, no change month-to-month.
 1. Plumbing - An unforeseen expense of roughly \$87,360 to replace a THS water heater.
- ii. Building Improvements: \$39,784 available, no change month-to-month.
 1. Site – Building Improvement: -\$20,710 over budget
 - a. This is due to leasing POD containers for storage.
 2. Building Improvement Projects: -\$67,996 over budget.
 - a. This is due to \$73,355 to repair the bus depot stairs to satisfy a Commission on Human Rights and Opportunities (CHRO) complaint filed by the bus company employees.

g. Miscellaneous - Debt Service & Misc.

- i. This category is -\$14,503 overbudget, up slightly from -\$13,794 last month.
- ii. The second semi-annual Bank of America loan payment was made in April.
- iii. All TD Bank and Bank of America loan payments have been made for this year.
- iv. The remaining \$7,738 in encumbrances are for various dues and fees.

Town Accounts (009)

- 1) March expenses = \$111,994; Month-to-month cumulative expenses were 635,542 (3/31) => \$747,536 (4/30).
 - a. YTD spent = 59.4% of the budget. This is an 8.9% increase month-to-month.

Student Activities Accounts (100)

- 1) The aggregate balance of accounts increased \$36,667 from \$326,912 (3/31) => \$363,579 (4/30).
- 2) The most significant transactions were an increase of \$34,107 in the THS Class of 2022 account and an \$8,906 increase in the THS Class of 2023 account.

Grants (200)

- 1) All grants have been funded.
- 2) The only grant in deficit is in the ESSER II – Dyslexia grant.
 - a. The deficit is \$2,885 which is due to encumbrances.

Special Revenue Funds (205)

There are accounts that have negative year-to-date balances some of which are due to timing difference (Continuing Education, Inter-district, Summer Explorations), some due to method of presentation (self-liquidating accounts: THS AP testing and Voluntary Insurance), and some are unique.

- 1) Continuing Education: Deficit = -12,963 and increase of \$5,449 from a March deficit of \$7,514.
 - a. February deficit = -\$12,522.

- b. January deficit = -\$19,398.
 - c. Down from -\$29,933 at December 31st.
 - d. Last year's revenue = \$75,978 (v. \$48,915 YTD).
- 2) Elementary Strings / Band: -148,433 deficit
- a. Up \$374 from March's -\$148,059 deficit.
 - b. Down slightly from -\$149,179 at January 31st.
 - c. Revenue received = \$49,104 up \$118 from \$48,986 last month.
 - d. I estimate that this account will finish the year approximately \$150,000 in deficit.
- 3) ELITE Business Program: -\$31,218 deficit
- a. This is an increased deficit of \$251 from the -\$30,967 deficit at 3/31.
 - b. Total revenue = \$176,721 an increase of \$2,682 from \$174,039 last month.
 - i. This includes the transfer of \$150,000 from the non-lapsing account.
 - c. Expenditures = \$176,721, so the deficit is due to the \$33,410 in encumbrances.
- 4) Inter-District: -\$25,963 deficit.
- a. The deficit was reduced \$9,787 from last month's -\$35,750 deficit.
 - b. The accounting was modified last month to include accounts receivable as revenue.
 - c. This is similar to accruing expenses through encumbrances.
 - d. A tuition increase of \$300 / year from \$3,600 => \$3,900 / year for school year 2022-23 was approved at the May 3rd Board of Education meeting.
- 5) Medicaid: -\$43,547 deficit.
- a. A decrease of \$9,712 from -\$53,259 last month.
 - b. The District has contracted with CompuClaim which administers the collection system for a more comprehensive effort to collect revenue.
 - c. The District was notified to expect a payment of approximately \$50,251.53 in June which will close significantly or perhaps eliminate this year's deficit.
- 6) Summer Explorations = -\$176,264 for this fiscal year; a month-to-month reduction of \$5,505.
- a. February's deficit = -\$181,769
 - b. \$40,808 revenue received, last year = \$176,321.
- 7) THS AP Testing: -\$123,515 deficit, an increase \$866 from last month's -\$122,649 deficit.
- a. This account is self-liquidating, i.e., students will pay for the exams.
- 8) THS Musical: -\$28,976 deficit
- a. Not all receipts have been booked
- 9) Voluntary Insurance: -\$51,782 deficit.
- a. This is a reduction of \$26,222 from last month
 - b. This account is self-liquidating, i.e., employees make monthly payments for additional insurance which reduces this account to \$0 at yearend.
 - c. Previous month end deficits were:
 - i. November = -\$176,522
 - ii. December = -\$157,282
 - iii. January = -\$130,559
 - iv. February = -\$104,080
 - v. March = -78,004

Food Service (210)

- 1) April's profit = \$93,044 (15 days)
 - a. March's profit = \$237,352 (22 days)
 - b. February's profit = \$168,937
 - c. January's profit = \$101,502
 - d. December's profit = \$102,005
 - e. November's profit = \$111,552
- 2) Under the Seamless Summer Option (SSO) program the District has submitted claims of:
 - a. \$463,479.38 (March) – 22 days; reimbursement received May 16th
 - b. \$319,826.96 (April) – 15 days
 - c. Total = \$783,306.34 (March and April show up in accounts receivable)
 - i. The SSO program will end June 30th.
- 3) The District's cash account = \$1,348,705 while the "Due to Town Account" = \$934,495 which results in a \$412,210 net cash position.

Scholarships (300)

- 1) The balance of the Scholarship Fund increased \$1,375 since March 31st => April 30th, i.e., \$164,068 (3/31) => \$165,443 and increased \$37,081 from \$128,362 (7/01) => \$165,443 (4/30).
- 2) The primary transactions have been contributions to the Chelsea Cunha fund (\$40,927).

Additional Questions – April Financials:

Question 1: Can you explain more about why the teacher salary amount dropped so much? What positions moved to Title 1, and how much did they add up to?

Answer: Some Frenchtown and Middlebrook specialists were moved from the teachers' salary line to Title I. This accounts for virtually all of the change.

Question 2: Why have our estimates for subs varied so much month to month – if we are estimating, why are our estimates so off? Do you expect our estimates next year to be more accurate? Our sub para budget also dropped – from +17 to -93 in one month.

Answer: Substitutes are very difficult to estimate. Attached is the year end spend v. budget for the past several years indicating that there is no predictable pattern.

Question 3: How much is now in our non-lapsing account? What plans if any do we have? If we have a surplus at the close of the year, does it go back to the town?

Answer: There was approximately \$903,000 in the non-lapsing account at its inception. Since then \$150,000 has been withdrawn to support ELITE, leaving a balance of about \$753,000. Currently there are no future plans for the non-lapsing account. If the operating budget has a surplus at year end, the balance reverts to the Town. The Board of Education never takes possession of its budgeted monies, but has a "checking account" with the Town to the extent of its budget. Consequently, the surplus never leaves the Town.

Question 4: What are our thoughts at this point about natural gas costs for next year? And are there any parts of next year's budget that we now know we allocated too much for?

Answer: Natural gas (and diesel fuel) have been increasing in price and this may require use of the non-lapsing account.

Question 5: Can you please talk a little more about the trueing up of the special education transportation budgets, both in and out of district? There are some pretty big changes.

Answer: Much like Special Education budget in general, the transportation budget associated with special education can be quite volatile. The District's Transportation Director Ms. Perkins works with other districts to determine if buses can be shared where districts are sending students to a common location. Also, there are instances where a student may require individual transportation to a specialized school.

Question 6: I noticed we approved six retirements at our last meeting; how many total do we have at this point, and how does this impact our budget estimate?

Answer: Ms. Williams and I are reviewing retirements as they occur to determine if they will impact the operating budget.

Question 7: Can you please explain more about the plan moving forward for the Repairs and Service Fees category?

Answer: As I mentioned in previous meetings, there are four repair and service fees budget line items which could be used for emergency repairs budgets. They don't appear in your

package because they were budgeted at \$0. Most emergency repairs are non-recurring items and are better budgeted in the non-lapsing account or funded via available balances in the operating fund.

Question 8: It looks as if the tuition line projected deficit is about \$100,000 more than last month. Can you please break down why this is the case? What I am looking for is how much is Magnet school, how much is legal, how much is actual tuition, etc.

Answer: The budget line item was over -\$357,470 in April and -\$369,722 in March; the deficit actually decreased \$12,252 month-to-month. Any legal expenses included in this category would be special education settlements. Legal budget category has two lines – one for General Legal and the other for Special Education Legal.

Attached is a breakdown of the March and April breakdown of the tuition accounts.

Question 9: Why is there so much unspent in building furniture? It's spread across all the buildings, but it's almost \$100,000.

Answer: Part of the explanation could possibly be the budget freeze that was put in place a couple months ago. During the 2023-24 budget process the Business Office will request more granular detail on the budget item.