

GROTON BOARD OF EDUCATION
FINANCE/FACILITIES COMMITTEE
SPECIAL MEETING MINUTES
DECEMBER 19, 2023 @ 6:00 P.M.
CENTRAL OFFICE, ROOM 11

Members Present: Dean Antipas, Beverly Washington, Jennifer White

Also Present: Susan Austin, David Fleig, Sam Kilpatrick, David Haugeto

Chairman Antipas called the meeting to order 6:16 p.m.

1. Review November 14, 2023 Meeting Minutes - Prior meeting minutes were reviewed and accepted.
2. Discussion re: FY24 Financial Challenges – Dave Fleig shared an update on the challenges that were previously shared with the Finance Committee and the Board of Education (see attachment).
 - Healthcare cost claims have run over \$1 million for the last eight to ten months. This amount has exceeded what has historically been seen. Claims for this month are 64% over last year at this time due to more claims and higher priced claims. Standard medical claims are running at about a 1% trend. He will receive more information at an initial renewal meeting with the Town and Anthem BC/BS, including what pricing might look like for next year.
 - We are in 1% of last year’s utilities bills.
 - We are averaging approximately \$8,000 per month of unpaid student lunch charges.
3. Planning for FY25 Budget Process – Dave Fleig gave an update on the budget process (see attachment). He shared early observations regarding rate increases on wages, transportation, insurance, and utilities. Magnet school tuition expenses will decrease due to the passing of House Bill 5003, which eliminates the district’s responsibility to pay for magnet school tuition. The tuition will be paid for by a state grant.
4. Property Cost Update – David Fleig reviewed property damage costs (see attachment). The estimated cost to the Board of Education is \$173,000.
5. Director of Finance Report – David Fleig shared an update regarding the average cost per pupil in Groton as compared to area towns. He also shared a one-page overview document that he created for each school, which shows a different way to look at the school’s budget. It includes the history of the school, the number of students, operating statistics, staff by type (certified/non-certified) as well as the amount of the school’s instructional budget.
6. Director of Buildings & Grounds Report – Sam Kilpatrick stated that the vape detectors will be installed in the bathrooms at each school during the holiday break. They detect smoke as well as loud noises (i.e., fights in the bathroom). He also stated the he received a \$70,000 estimate for one water heater at FHS.

The meeting adjourned at 7:20 p.m.



FY24 Financial Challenges Being Monitored

<u>Health Insurance Claims</u>	<ul style="list-style-type: none">• Health insurance claims are up ~39% or ~\$1.2M over the prior year• Health insurance budget was reduced ~\$725K during the budget process• Insurance reserve will be depleted
<u>Property Costs</u>	<ul style="list-style-type: none">• Incurred eight new property events and one ADA Compliant investment• YTD expected to exceed ~\$173K
<u>Transportation Costs</u>	<ul style="list-style-type: none">• The mix of standard buses has changed costing us ~\$22K (six add'l mid-day buses and one less regular bus)• Out of town athletic event bus costs are 2.25x the budgeted amount
<u>Utilities</u>	<ul style="list-style-type: none">• 54% of the Electricity Budget spent. Electricity costs will be similar to last year.• Natural Gas & Oil budgets ~25%-40% lower than FY23 actual expense
<u>Lunch Program Collection</u>	<ul style="list-style-type: none">• Averaging ~\$8.5K of unpaid student lunch charges per month (primarily @ CB, NEA, FHS)• Incurred ~\$26K of charges YTD and estimating \$80K for the full year
<u>Contractual & Wage Inflation</u>	<ul style="list-style-type: none">• Para Union Contractual Agreement Signed• CT State Minimum Wage Increase Effective January 1st (\$15 to \$15.69 hour)
<u>Legal Fees</u>	<ul style="list-style-type: none">• Contractual Negotiations, Robotics and SPED fees rising quickly• Only \$26K remaining in the Legal Fees Budget
<u>Prior Year Expenses</u>	<ul style="list-style-type: none">• ~\$626K of prior year expenses deferred to FY24• ~\$89K of FY23 related invoices not received until FY24• DOD Supplemental balance at risk



FY25 Budget Process Update



Process Update

Process:

- Internal budget reviews ongoing
- Important vendor renewal meetings coming up (i.e. health and property/liability insurance)

Challenges:

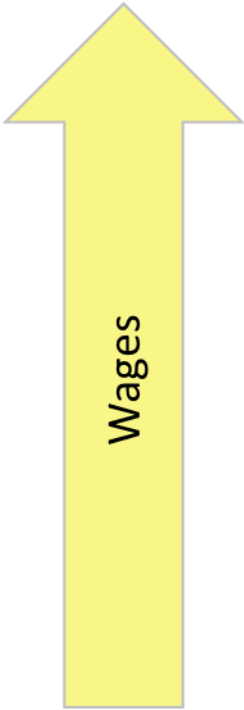
- Negotiated contractual obligations (people, bus, insurance)
- Increased mandated services

Impactful Assumptions:

- DoD Supplemental funds unknown based on demographic numbers
- Healthcare reserve (above the corridor) will be fully liquidated



Early Observations



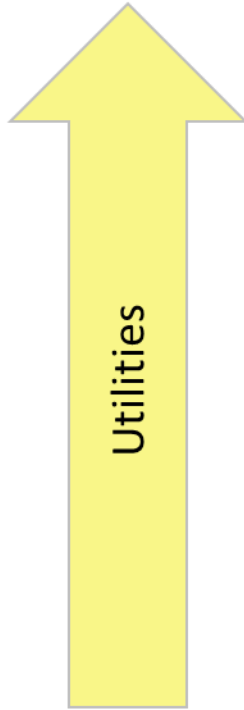
- Existing Contractual Increases
- CT State Minimum Wage Increase
- FTE Transition from ARP ESSER funding



- 12.5% Regular Bus Rate Increase
- 20% Midday Bus Rate Increase
- 5% Field Trip/Athletic Bus Rate Increase



- Healthcare Trend
- Property Insurance Co-Share Increase w/Town



- Weather Pattern Changes
- Electricity Rates
- Natural Gas/Oil Utilization



- House Bill 5003 Passed
- Eliminates Inter-District Magnet School Tuition
- Eliminates Vo-Ag Tuition

Groton Public Schools
 Property Damage Information

Property:	<u>Claim Filed</u>	<u>Total Estimate</u>	<u>Town Contribution</u>	<u>Estimated BOE Cost</u>
Mystic River Insurance Claim (Water - Bottle Filler)	8/4/2023	\$ 53,691.03	\$ 13,810.57	\$ 11,189.43
Mystic River Insurance (Water - Nurse/Admin Area)	BOE Paid	\$ 4,475.48	\$ -	\$ 4,475.48
Mystic River Transformer Replacement	BOE Paid	\$ 3,486.42	\$ -	\$ 3,486.42
Mystic River Chain Link Fencing	BOE Paid	\$ 5,000.00	\$ -	\$ 5,000.00
Fitch Insurance Claim (Water)	10/3/2023	\$ 73,971.40	\$ -	\$ 73,971.40
Fitch HVAC Lines	BOE Est	\$ 12,100.00	\$ -	\$ 12,100.00
Fitch Water Heater	BOE Est	\$ 40,000.00	\$ -	\$ 40,000.00
Fitch Fieldhouse Lift (ADA Compliant)	BOE Paid	\$ 7,177.00	\$ -	\$ 7,177.00
GMS Generator (Fix) + Cost of Short term Rental	BOE Est	\$ 15,500.00	\$ -	\$ 15,500.00
Total Estimated Costs		<u>\$ 215,401.33</u>	<u>\$ 13,810.57</u>	<u>\$ 172,899.73</u>