

AMITY REGIONAL SCHOOL DISTRICT NO. 5

Bethany Orange Woodbridge
25 Newton Road, Woodbridge Connecticut 06525
(203) 397-4811

Michael R. Nast

Interim Superintendent of Schools

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AMITY REGIONAL BOARD OF EDUCATION

January 13, 2014

A regular meeting of the Amity Regional Board of Education will be held on Monday, January 13, 2014, at 6:30 p.m., in the cafeteria at Amity Regional High School.

Agenda

1. Call to Order
2. Pledge of Allegiance
3. Student/Staff Recognition
4. Student Report
5. Approval of Minutes
 - a. Regular BOE Meeting, December 9, 2013 (Enclosure)
 - b. Special BOE Meeting, December 19, 2013 (Enclosure)
6. Update on Superintendent Search
7. Public Comment
8. Presentation and Discussion of Superintendent's Proposed 2014-2015 Budget
9. Discussion and Possible Action on Audited Financial Statements (Enclosures)
 - a. Review of Audited Financial Statements by Auditors
 - b. Discussion and Possible Action to Accept Annual Financial Report
 - c. Discussion and Possible Action to Return Funds to Member Towns
10. Superintendent's Report
 - a. Personnel Report (Enclosure)
 - b. Other

- 11. Chairman's Report
 - a. Committee Reports
 - 1. ACES
 - 2. CAFE
 - 3. Curriculum
 - 4. Facilities
 - 5. Finance
 - a. Discussion of Monthly Financial Statements
 - b. Director of Finance and Administration Approved Transfers Under \$3,000
 - c. Discussion and Possible Action on Budget Transfers of \$3,000 or More
 - 6. Policy
 - 7. Personnel – Executive Session
12. Items for the Next Agenda
13. Adjournment



 Michael R. Nast
 Interim Superintendent of Schools

MRN/kfw
 pc: Town Clerks: Bethany
 Orange
 Woodbridge

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Working to "enable every Amity student to become a lifelong learner and a literate, caring, creative and effective world citizen." District Mission statement

If you require accommodations to participate because of a disability, please contact the office of the Superintendent of Schools in advance at 397-4811.

MINUTES

AMITY BOARD MEMBERS PRESENT: William Blake, Christopher Browe, Patricia Cardozo, Sue Cohen, Diane Crocco, Steven DeMaio, Rita Gedansky, John A. Grasso, Jr., James Horwitz, Thomas Hurley, Tracey Lane Russo, James Stirling

AMITY BOARD MEMBERS ABSENT: Julie Altman

Staff Members Present: Charles Britton, Richard Dellinger, Shaun DeRosa, Kathleen Fuller Cutler, Kevin Keller, Jack Levine, Marianne Lippard, Terry Lumas, Marie McPadden, Michael Nast, Mary Raiola, Jim Saisa

Also Present: Patrick Dudley, Brian Fournier, Jim Leahy; other members of the Public

A regular meeting of the Amity Regional Board of Education was held on Monday, December 9, 2013, at 6:30 p.m., in the cafeteria at Amity Regional High School.

1. **Call to Order:** William Blake called the meeting to order at 6:38 p.m.
2. **Pledge of Allegiance** was recited by those present.
3. **Election of Officers**
The Board elected officers to serve during the next two-year term.

Ms. Cohen nominated Mr. Blake to continue in his role as Board chair. Mr. Stirling seconded the nomination. There were no other nominations.

Motion to close the nominations (Ms. Cardozo, 2d Mr. DeMaio).

Vote in favor unanimous.

Motion passed.

The vote in favor of electing Mr. Blake as chair was approved unanimously.

Ms. Gedansky nominated Ms. Cohen to continue in her role as Board vice chair. Mr. Hurley seconded the nomination. There were no other nominations.

Motion to close the nominations (Mr. Browe, 2d Ms. Crocco).

Vote in favor unanimous.

Motion passed.

The vote in favor of electing Ms. Cohen as vice chair was approved unanimously.

Mr. DeMaio nominated Mr. Hurley to serve as Board secretary. Mr. Stirling seconded the nomination. There were no other nominations.

Motion to close the nominations (Ms. Cardozo, 2d Ms. Crocco).

Vote in favor unanimous.

Motion passed.

The vote in favor of electing Mr. Hurley to serve as secretary was approved unanimously.

Mr. Blake thanked Ms. Gedansky for her many years of service in this role.

Mr. Stirling nominated Mr. Horwitz to continue to serve as Board treasurer. Ms. Russo seconded the nomination. There were no other nominations.
Motion to close the nominations (Ms. Gedansky, 2d Ms. Cardozo).
Vote in favor unanimous. Motion passed.
The vote in favor of electing Mr. Horwitz to serve as treasurer was approved unanimously.

Ms. Russo nominated Mr. Browe to serve as Board assistant treasurer. Mr. Hurley seconded the nomination. There were no other nominations.
Motion to close the nominations (Mr. Hurley, 2d Mr. Horwitz).
Vote in favor unanimous. Motion passed.
The vote in favor of electing Mr. Browe to serve as assistant treasurer passed unanimously.

4. Approval of Minutes

- a. Regular BOE Meeting, November 11, 2013
Motion to approve the minutes as presented (Mr. Horwitz, 2d Ms. Cohen).
Vote in favor unanimous. Motion passed.

5. Discussion of 2014-2015 Budget

In a memo dated December 5, 2013 from Mr. Nast to Members of the Amity Finance Committee and Amity Board of Education, an update on the 2014-2015 Budget is provided. Total operating expenditures in the preliminary 2014-2015 Budget are \$1,937,619 or 4.36 percent over the current budget. The member town allocations are up \$1,957,760 or 4.53 percent over the current budget. It was noted that Bethany's allocation is up \$352,247 due to a shift in student enrollment.

Mr. Nast described how the calculations were made to arrive at the current figures. Major 'non-negotiable' components of the increase were addressed. Included are \$665,249 in salaries; \$202,650 for paraprofessionals; \$459,610 for medical & dental Insurance/OPEB Trust; \$583,196 for special education transportation & tuition; \$61,200 for PowerSchool; \$19,492 for security; and \$60,000 for a telephone system. Mr. Nast noted that the administrative team looked at long-range plans when crafting the budget.

With a few retirements, there may be some savings if positions aren't filled, however, it is important to ensure that cuts do not affect the quality of the program at Amity. For example, we are implementing PowerSchool and this must be done correctly in order to see the benefits of the change.

Mr. Nast said that he also has concerns about after school security that he would like to address in the next budget cycle. Last year, a well-dressed person entered the school after hours and it was later determined that this person could not be identified.

Another concern that needs to be addressed in the immediate future has to do with the telephone system that we currently use. The company is going out of business and we cannot afford to take a chance that our 911 service might not work.

The budget increases over the last five years have been low, and this seems to have caught up with us. If we cut too much, we will start going backwards with our program. Mr. Nast pointed out that bringing the budget down just two percent will mean reducing the budget by \$1 million.

The administration is struggling with how to offset the projected increase. Not filling vacancies may help, but we want to investigate the impact. We are looking at districts that serve similar communities, such as West Hartford, Glastonbury and Madison. Mr. Nast said that he is seeking input from the Board.

Mr. Hurley said that he didn't see anything about back office computers. This need has been discussed for some time. We have a system that is obsolete and yet we are trying to run a top notch program without basic, current technology. If the system were to crash, we could lose student records and have a major problem.

Ms. Cohen said that Dr. Brady warned the Board about the problem of putting off these expenses. There is only so much that can be cut.

Mr. Nast noted that if we apply the excess from last year to the current budget, the figures could come down.

Mr. Blake noted that Mr. Nast will be working with the staff to address the budget over the next month and will report back next month.

6. Public Comment

Brian Fournier, chairman of the Bethany Board of Education said that the residents of Bethany remain interested in exploring the possibility of sending sixth graders to Amity Middle School in Bethany. Minutes from previous meetings of this Board show that there have been some discussions on this topic, but no action was taken. He feels that a member of this Board has tried to derail the town referendum. He would like a timely response on whether Bethany can pursue the idea of moving the sixth graders to the middle school.

Jim Leahy of Orange, co-chair of the Orange Board of Finance, said that he came tonight to talk about the budget and the impact that it will have to the taxpayers. Every year the District has run into a surplus. Usually, between May and June the surplus increases. Despite a 1.9 percent budget increase, we ended up with a nearly \$500,000 surplus. He feels that the Board should go back and look at the total amount of the budget and take a close look at every expense. There should be an up-front look at some of these numbers.

Mr. Blake said that he would like to respond to some of Mr. Fournier's concerns. The Board did discuss the possibility of moving the sixth graders from Bethany into Amity Middle School in Bethany. During the last discussions, it was determined that rooms were available and this seemed like a worthwhile idea. There was interest in moving forward. The Board was looking for word from the Bethany Board of Education that Bethany would pick up the costs involved in moving the students. We never got a response. Mr. Blake asked that if Mr. Fournier has a problem with one member of this Board that he work it out with that person directly. This Board will give the idea a fair and thorough examination. We'd like to move forward.

7. Student Report

Patrick Dudley, student government representative, said that a number of events took place at the High School recently and they went very well thanks to the support from faculty who helped with the planning. He thanked Mr. Kennedy for his work with the cast and crew on the fall/winter play, *Twelve Angry Jurors*. The play is thought provoking; with an interesting theme that examines morals and raises questions. Students are getting ready for the winter concert on December 12th. There is no admission to the concert and those who enjoy traditional seasonal music, as well as contemporary music, are welcome to attend. Amity students took part in a debate on November 16 and the students performed incredibly well. One team earned a top ranking. Patrick also highlighted the fact that students at the High School recently raised money to help a New Haven soup kitchen.

Mr. Hurley asked Patrick what play is planned for the spring. It was noted that the play will be *In the Heights*.

8. Superintendent's Report

a. Personnel Report

Mr. Nast discussed the Personnel Report, noting that there are three retirements listed.

Motion to accept the retirements with thanks (Mr. Hurley, 2d Mr. Browe).

Discussion: Mr. Hurley said that he would like to thank those retiring for the work they've done getting the reading scores up to the highest levels the District has seen and making us one of the top districts in the State.

Vote in favor unanimous.

Motion passed.

b. Other

Mr. Nast said that he would like to change the calendar to move the Professional Development Day from March 21st to February 14th, which appears to make more sense in the schedule.

It was noted that this item needs to be added to the agenda to be acted upon.

Motion to consider and act on change to the calendar (Mr. Stirling, 2d Mr. Hurley)
Vote in favor unanimous. *Motion passed.*

Mr. Stirling questioned whether this would affect the bus schedule for BOWA district.

Mr. Nast said that it would not.

Motion to change the Professional Development Day from March 21, 2014 to February 14, 2014. (Mr. Hurley, 2d Ms. Cohen).
Vote in favor unanimous. *Motion passed.*

Also looking at the calendar, Mr. Nast said that he would like to delay the exams in the second quarter to offer students time over the weekend to prepare.

Motion to consider and act on change to the calendar (Ms. Cohen, 2d Ms. Gedansky).
Vote in favor unanimous. *Motion passed.*

Motion to approve change to the second quarter exam schedule at the High School (Mr. Hurley, 2d Ms. Cohen).
Vote in favor unanimous. *Motion passed.*

Mr. Browe asked if there is any new information about a regional schedule.

Mr. Nast said that there was talk at an educator's meeting of a common schedule statewide, which would dictate when vacation schedules would be. This scenario, having everyone on the same schedule, would have advantages and disadvantages. Principals and teachers like the idea, however, the idea wasn't popular with school board members.

Mr. Browe questioned whether districts would be penalized for not adhering to a regional schedule.

Mr. Nast said that he wasn't aware of any penalties being considered for districts choosing not to adhere to the common schedule.

Mr. Nast noted that he received a letter from John Barile, superintendent of schools in Bethany, requesting consideration for a proposal to send sixth graders from Bethany to Amity Middle School in Bethany.

Ms. Russo said that members of this Board have expressed interest, but need more information. She questioned the appropriateness of Mr. Fournier's earlier comments. She believes that there is space at the middle school and

would like to offer it to Bethany if it would help reduce costs. If there is a way to make this work, the Board should explore it.

Mr. Hurley said that this issue was left off with the Board waiting for Bethany to come back with a proposal. He believed that Bethany wasn't interested when more information wasn't provided.

Mr. Blake said that he believes that this issue should be turned over to the new superintendent for a recommendation. He hopes to identify a new superintendent by early next year.

Ms. Cohen said that the town of Bethany should come to this Board with information and a commitment. The Board wasn't planning to invest money to explore this issue.

Ms. Russo, Mr. Blake, Mr. Browe, and Mr. Stirling all voiced interest in the proposal by Bethany to move sixth graders to the middle school building. Mr. Stirling noted that once the Board has a more definitive proposal, it would have to be considered by each of the subcommittees.

Mr. Nast said that he wanted to let everyone know that the superintendents from the three towns consulted with each other at 4:30 a.m. today to consider the weather and returned every phone call that he received regarding the weather. He added that he truly appreciates members of the Board keeping him abreast of situations unfolding at other schools, such as the recent lockdown in New Haven. This information is very useful.

Mr. Stirling said that he is sorry to lose quality teaching staff to retirements, but was interested in learning more about the timing of retirement announcements. Mr. Nast noted that retiring faculty must let the administration know of their plans by December 1, 2013 if they want severance pay. Those notifying the administration at a later date would have to wait.

Mr. Hurley said that following the insurance discussions at the last meeting, he would like to thank Mr. Levine for explaining the numbers.

9. Chairman's Report

a. Committee Reports

1. ACES – There was no report.
2. CABE – Mr. Stirling reported that the CAPSS convention took place. It was an excellent opportunity to learn about the future of education. Individualized instruction was an emerging trend that was discussed. This education model could allow students to graduate at a younger age if they've mastered the material. This is an idea that will likely be discussed over a period of years.

3. Curriculum – There has been no meeting since the last Board meeting.
4. Facilities – There has been no meeting since the last Board meeting.
5. Finance

- a. Discussion and Possible Action on Contracts of \$35,000 or More
Mr. Levine noted that due to the efforts of Technology Education Specialist Lisa Lassen and District Technology Coordinator Shaun DeRosa, Amity was awarded a grant of \$186,568. Plans are to replace every switch in the District. The switches will be compatible with the new virtually segmented network architecture as well as any future VoIP (Voice over Internet Protocol) phone system that may be deployed. The result will be an updated infrastructure utilizing full 1 Gigabyte bandwidth across the entire network. We will have segmented and managed virtual networks. The system will also be designed with possible future growth in mind so we do not find ourselves in a similar situation in the future.

Mr. DeRosa said that it is important to be able to do State testing without worries about system breakdowns. He compared the current technology situation to running a superhighway over a country road. There are currently 421 computers that students can use at the High School. Mr. Levine noted that the price for the work would likely exceed the amount of the grant. There is money in the budget for technology and the Contingency account can be used for any additional cost.

Ms. Cardozo questioned what the range in prices would be.

Ms. Russo said that without a bid, the recommended motion is like a blank check.

Mr. Stirling said that members of the Amity Finance Committee shared the same thoughts. Mr. Levine noted that as an alternative, the Committee specified that the amount from the Contingency Account could not exceed \$25,000.

Mr. Nast and Mr. Levine stressed that they did not want to wait, as the cost to complete this work would be lower before the end of the year and the upgrades could be completed sooner rather than later.

Ms. Russo said that while this is grant money, it is still money for the school.

Mr. Levine said that bids will be opened this Friday. If the bids are higher, he and Mr. DeRosa can determine how to scale back the work.

Ms. Russo said that a special meeting can be set up once the bids are opened.

Mr. DeMaio stated that Amity can't be the only District in the State experiencing this problem with the infrastructure.

Dr. McPadden said that some districts are administering the CAPT and CMT. The District did apply for \$430,000 of grant money.

The Board set a date for a special meeting to take place at 5:30 p.m. on Thursday, December 19th in Orange to discuss and possibly act on the submitted bid proposals.

b. Discussion of Monthly Financial Statements

There were no questions.

c. Director of Finance and Administration Approved Transfers Under \$3,000

There was no discussion.

d. Discussion and Possible Action on New Funding Request

In a December 3, 2013 memo from Mr. Levine to Mr. Nast, he recommends the Board approve a budget transfer of \$12,899 for a replacement hot water heater at the Orange Middle School. The hot water heater has been ordered. The water heater developed a small leak. If the tank completely fails, we would not be supplying domestic hot water to the building. This is a sanitation issue for the kitchen and other building occupants as they would not have hot water to wash dishes, plans, or hands. Kitchens are required to provide 180 degree rinse in the dish washer machines and that could not be achieved with the lack of domestic hot water supplied to the booster heater in the kitchen.

Move to make the following budget transfer of \$12,899 to pay Tower Hill Sales Associates, Inc. for the purchase of a stainless steel tank for the Orange Middle School:

<u>Account Number</u>	<u>Account Name</u>	<u>From</u>	<u>To</u>
05-15-0000-5850	Contingency Account	\$12,899	
02-14-2600-5731	Equipment – Replacement		\$12,899

Vote in favor unanimous.

Motion passed.

e. Presentation of Amity Audit Status Report

Mr. Levine noted that Ms. Lumas and the finance staff did a marvelous job on the audit. Mr. Stirling noted that the contract for an auditor will be put out to bid soon.

6. Policy – There is no meeting planned at this time.
7. Personnel – Mr. Blake said that an email will be sent out soon regarding assignments, he recommended that Board members respond to the email to ensure that their preferences are met.
 - a. Executive Session – Negotiations

Vote to enter Executive Session and invite Mr. Nast to participate (Ms. Russo, 2d Mr. Hurley).

Vote in favor unanimous.

Motion passed.

The Board entered into Executive Session at 8:03 p.m. and returned to regular session at 8:25 p.m.

- b. Discussion and Possible Action to Approve the Amity Regional School District No. 5 Administrators' 2014-2017 Contract
Motion to accept the agreement (Ms. Cohen, 2d Ms. Gedansky).
Discussion: Mr. Blake thanked the administrators. We have a contract.
Vote in favor unanimous.

Motion passed.

10. Items for the Next Agenda

No new items were added.

11. Adjournment

Motion to adjourn the meeting at 8:26 p.m.

Motion passed; meeting adjourned.

Respectfully submitted,

Marianne Lippard, recording clerk
Thomas Hurley, secretary

References/Attachments:

Minutes:

Amity Finance Committee Meeting, 10/21/13

Reports:

Amity Regional School District No. 5 Budget Transfers 2013-2014
Amity Regional School District No. 5 Year-to-Date Budget
Report, 12/3/13
Amity Regional School District No. 5 Revenues and Expenditures
for FY 2013-2014
Amity Regional School District No. 5 Executive Summary – Third
Quarter 2013
Amity Regional School District No. 5 Audit Status Report,
11/27/13

Memos:

Jack B. Levine to Michael R. Nast, 12/5/13, re: Award of
Contracts of \$35,000 or More
Jack B. Levine to Michael R. Nast, 12/3/13, re: New Funding
Request for Fiscal Year
Michael R. Nast to Members of Amity Finance Committee and
Amity Board of Education, 12/5/13, re: Update on 2014-2015
Budget

MINUTES

AMITY BOARD MEMBERS PRESENT: Julie Altman, William Blake, Patricia Cardozo, Sue Cohen, Steven DeMaio, Rita Gedansky, John A. Grasso, Jr., Thomas Hurley, Tracey Lane Russo, James Stirling

AMITY BOARD MEMBER ABSENT: Christopher Browe, Diane Crocco, James Horwitz

Staff Members Present: Shaun DeRosa, Jack Levine, Marianne Lippard, Michael Nast

A special meeting of the Amity Regional Board of Education was held on Thursday, December 19, at 5:15 p.m., in the Media Center at Amity Middle School, Orange Campus.

1. **Call to Order:** William Blake called the meeting to order at 5:22 p.m.
2. **Pledge of Allegiance** was recited by those present.
3. **Discussion and Possible Action on Award of Contract of \$35,000 or More**

Mr. Blake summarized the purpose of tonight's meeting. Bids were opened for technology upgrades.

A memo dated December 19, 2013 from Mr. Levine to Mr. Nast describes the upgrades. The District was awarded a grant of \$186,568 through the efforts of Technology Education Specialist Lisa Lassen and District Technology Coordinator Shaun DeRosa.

DeRosa noted that every switch in the District will be replaced. The new switches will be compatible with our new virtually segmented network architecture as well as any future VoIP (Voice over Internet Protocol) phone system that may be deployed. The result will be an updated infrastructure utilizing full 1 Gigabyte bandwidth across the entire network. We will have segmented and managed virtual networks. The system will also be designed with possible future growth in mind so we do not find ourselves in a similar situation in the future.

The equipment will be HP with a life time warranty. The switches will be 1 Gigabyte and can be upgraded to 10 Gigabytes. The entire system has redundant features. There is no single point of failure.

Mr. Levine noted that the administration would like to move forward to upgrade the District's technology infrastructure as soon as possible. The grant is aimed to help support an increase in capacity of the District to handle the State online (SBAC) testing,

which will occur during May through June. Also, we have been experiencing intermittent problems with the technology infrastructure, which will only become worse as the number of devices used by staff and students increase.

The District bid the purchase of equipment, installation and servicing. The sealed written proposals were received on Friday, December 13, 2013. There were nine bids. The bids ranged from \$145,464.86 to \$452,310.75. The two lowest bids of \$145,464.86 and \$149,537.50 did not completely meet the bid specifications. The next lowest bid was \$180,000 from Consolidated Computing, Inc., in Easton, Connecticut, which met all bid specifications. We would like to add \$3,000.00 for HP Intelligent Management Software, which will allow management of the entire network through a single 'pane of glass' (single screen). The next lowest bid is \$202,815.00.

In the memo, Mr. Levine noted that he expects the upgraded network infrastructure to be completed before the online SBAC testing. Since the total cost of this work is less than the amount of the grant, we will not need to use money from the Contingency Account; however, we will need to take funds from various accounts until the grant money is received. This is a reimbursement grant so the District must spend the funds before it can obtain the grant funds.

Mr. Nast said that there is concern that prices may change if we wait to have the work performed. The administration also would like to get the work completed in time for online testing in March. Bids for technology upgrades were opened last Friday; there was a significant range in prices, with the high bid being in the \$400,000 range. Some bidders were invited in to talk to administrators.

Mr. Levine noted that there were bids in the range of \$145,000 - \$149,000, but they did not completely meet the bid specs. A bid of \$180,000 did meet the bid specifications. The next lowest bid was for \$202,000.

The grant that the District received was a reimbursement grant, requiring Amity to spend the money before receiving money back. With Board approval, the purchase order could be submitted tomorrow.

Mr. Nast noted that this item was taken off the agenda of the State Bond Commission, but he has been assured that this will go through.

Mr. DeRosa said that this will increase the bandwidth by ten times. The technology improvements will make a huge difference, impacting every computer. The work includes a lifetime warranty, which is at least 10 years.

Mr. Nast noted that the company that he would like to use has been in business for over 20 years.

Mr. Hurley noted that he supports these technology upgrades.

Mr. DeMaio noted that based on the price; there will be approximately \$3,000 of grant money left over.

Mr. DeRosa said that the District might use the remaining money for a laptop computer.

Ms. Cardozo questioned the timing of the reimbursement and whether it will be difficult for the District to get by with the current budget until the money comes in.

Mr. Levine noted that while he hasn't been given a clear idea of when the District would be reimbursed, he has been assured that the money will be available by the end of the fiscal year. Since we are in the middle of the budget year right now, we will be fine.

Ms. Altman questioned how to account for the wide range of bids.

Mr. DeRosa said that with some of the lower bids, he wasn't too familiar with some of the products being used for the installation. The large bids all used Cisco products, which are known as leading edge products.

Mr. Hurley said that while Cisco products are top notch, Hewlett Packard also produces high quality products. There is a lifetime warranty and the system will be capable of being upgraded.

Move to award the network infrastructure bid to Consolidated Computers, Inc. of Easton, Connecticut, at the bid price of \$180,000 plus \$3,000 for the HP Intelligent Management Software. The Director of Finance and Administration will have the authority to make the necessary budget transfers to pay Consolidated Computers, Inc., and when the grant funds are received from the State of Connecticut, he will restore the money to the appropriate accounts (Mr. Grasso, 2d Mr. Hurley).

Discussion:

Mr. DeMaio noted that there has been concern raised about Amity showing a surplus at the end of the year. We should make clear that at the end of the fiscal year this money will be reimbursement and not excess.

Mr. Levine said that this money will not have any effect on the budget forecast.

Vote in favor unanimous.

Motion passed.

4. Adjourn

Motion to adjourn the meeting at 5:40 p.m. (Mr. DeMaio, 2d Ms. Gedansky).

Motion passed; meeting adjourned.

Respectfully submitted,
Marianne Lippard, recording clerk

AMITY REGIONAL SCHOOL DISTRICT NO. 5
Bethany Orange Woodbridge
25 Newton Road, Woodbridge Connecticut 06525



Mr. Michael R. Nast
Interim Superintendent of Schools

To: Members of Amity Finance Committee and Amity Board of Education
From: Michael R. Nast, Interim Superintendent of Schools *(signature)*
Re: Frequently Asked Budget Questions
Date: January 10, 2014

1. BUDGET SURPLUSES: Has the Amity Region 5 budget been too high given the large yearend surpluses over the past seven years?

This month's forecasted surplus of \$508,663 consists of \$111,128 of more revenue than budgeted (primarily from Special Education Grants) and \$397,535 favorable balance of total expenditures, or 0.9 percent of the total budget.

Amity has had a budget surplus for the past seven years. This has led to the obvious question of whether or not the budgets have been too high. For the past five years, the average surplus to total expenditures averaged 1.2 percent. This is considered by most financial analysts to be a reasonable variance from budget. The District does not have a fund balance, like the towns, to use if there is an over expenditure, and by law, the District cannot exceed its legal budget. With the unknowns of special education and self-funded medical and dental insurance as examples, it is very difficult to accurately predict what these costs will be.

The District's largest surpluses came in 2006-2007 and 2007-2008. In these years, we had large unexpected surpluses in special education transportation and tuition; large unexpected savings from teacher retirements; almost three-quarters of a million dollars in lower insurance premium costs by hard negotiations with our insurance carrier; and over a half-million dollars annual savings in electricity expenses by joining a consortium. All of these were accomplished after the budget was adopted. We used some of the surplus to fund the OPEB Trust to cover costs of future retirees which helped reduce future costs; assigned funds for the subsequent year's budget to hold down the member town allocations; and returned the remaining surplus to the member towns.

In some years, revenues from the State and other sources were lower than the budget. We, therefore, could not fully spend the budgeted expenditures, because expenditures cannot exceed revenues. We have always looked to find and implement cost savings and efficiencies whenever possible throughout the year. This has resulted in budget surpluses.

TOTAL EXPENDITURES

FISCAL YEAR	ACTUAL	BUDGET	VAR. \$	PCT. OF TOTAL
2006-2007	\$36,822,285	\$37,879,650	\$(1,057,365)	-2.8%
2007-2008	\$38,910,433	\$40,773,491	\$(1,863,058)	-4.6%
2008-2009	\$41,433,670	\$41,818,791	\$ (385,121)	-0.9%
2009-2010	\$41,292,307	\$42,135,265	\$ (842,958)	-2.0%
2010-2011	\$42,520,703	\$42,757,397	\$ (236,694)	-0.6%
2011-2012	\$42,892,901	\$43,408,621	\$ (515,720)	-1.2%
2012-2013	\$43,060,248	\$43,613,162	\$ (552,914)	-1.3%
7-YEAR AVERAGE	\$40,990,364	\$41,769,482	\$ (779,119)	-1.9%
5-YEAR AVERAGE	\$42,239,966	\$42,746,647	\$ (506,681)	-1.2%

RETURNED TO MEMBER TOWNS

FISCAL YEAR	BETHANY	ORANGE	WOODBIDGE	TOTAL
2006-2007	\$102,795	\$220,275	\$166,431	\$489,501
2007-2008	\$176,358	\$370,723	\$276,253	\$823,334
2008-2009	\$ 55,406	\$119,456	\$ 86,512	\$261,374
2009-2010	\$ 58,522	\$128,720	\$ 88,037	\$275,279
2010-2011	\$ -	\$ -	\$ -	\$ -
2011-2012	\$ 67,497	\$159,505	\$102,492	\$329,494
2012-2013	\$ 82,129	\$197,760	\$118,396	\$398,285
7-YEAR AVERAGE	\$ 77,530	\$170,920	\$119,732	\$368,181

There are many examples of changes that occurred once the budget had been set. Some of these changes came about without any Amity action. For example, in 2006-2007, the money we placed in the State Treasurer Investment Fund (STIF) had a projected interest rate at the time the budget was set at 3.67 percent. The rate increased over the course of the year to 5 percent resulting in an increase in revenues of over \$79,000.

Below is a sample list of financial activity that positively affected the Amity budget over the past few years so that the year ended with a fund balance:

- **Teacher replacement:** In 2006-2007, a number of retirees were replaced with teachers whose salaries were significantly lower than the departing teachers. We worked hard to recruit and select high-quality teachers at lower cost. The total number of staff departing the district is often not known until as late as August. Since these hiring decisions are not completed until after the budget referendum, any savings show as a fund balance. In the 2006-2007 instance, the savings amounted to over \$200,000.
- **Insurance renewal rates:** Each year our insurance consultants advise us on what percentage increase we will need to cover medical and dental costs. The number is an estimate when it goes into the budget since the final rate is not established until after the budget is set in the spring. In 2007-2008, for example, we were advised to budget for a 10.46 percent increase. The final rate was 0 percent because we took an extremely aggressive approach with the carrier along with conducting a market study of competing companies. Nevertheless, the \$745,993 budget increase was a good number when the budget was put together. With an increase of 0 percent, the \$745,993 added to the end-of-year fund balance.
- **Refinancing of bonds:** When the budget is being set, we do not have information about whether or not there will be a favorable bond refinancing market. When conditions warrant, we will refinance bonds. This refinancing has resulted in nearly \$2,000,000 of current and future savings to the taxpayers. In 2009-2010 alone, the total savings were \$326,143; again showing as a surplus at end-of-year.
- **Special education tuition and transportation:** Expenditures in this area of the budget are highly variable and difficult to predict. We work hard to create appropriate programs for students within our three schools. Whenever possible, we offer parents the opportunity to bring their student to Amity. For the majority of students out placed, their placement is the appropriate location for them to receive their education services. This can change regularly over the course of any given year. As an example, primarily through creation of appropriate programs within Amity, we ended the 2010-2011 year with a \$327,000 balance in the tuition and transportation special education accounts. In 2012-2013 we had students who were budgeted to be in high-cost programs. These students stayed in temporary lower cost programs throughout the year and did not transition as expected and budgeted for a savings of about \$282,000.

When we budget for special education transportation and tuition, we take into account the current population of students with special needs and the expected inflow of students from the sixth grade of the member towns. These accounts are extremely difficult to predict based on the changing student population and needs of the students. In the past four years, we have had a surplus in these accounts. The surpluses can be primarily attributed to students being brought back to the District from out-of-district placements. We do this whenever the parents and administration feel it is in the best interest of the student.

SPECIAL EDUCATION TUITION & TRANSPORTATION

FISCAL YEAR	ACTUAL	BUDGET	VAR. \$	PCT. OF TOTAL
2008-2009	\$1,948,616	\$1,820,693	\$127,923	7.0%
2009-2010	\$2,053,358	\$2,112,991	(\$ 59,633)	-2.8%
2010-2011	\$2,417,841	\$2,472,832	(\$ 54,991)	-2.2%
2011-2012	\$2,217,389	\$2,654,752	(\$437,363)	-16.5%
2012-2013	\$2,697,818	\$3,252,911	(\$555,093)	-17.1%
5-YEAR AVERAGE	\$2,267,004	\$2,462,836	(\$195,831)	-8.0%

There are several important points to keep in mind when considering this issue:

1. The budget process and financial management process at Amity are award winning. The Government Financial Officers of America (GFOA) honored Amity in 2008 for both financial reporting and budget development. Such awards are not given lightly and were conveyed after exhaustive research into our operations. Similarly, the Connecticut Economy, a UCONN publication, rated Amity as one of twenty-one “fully efficient” school districts in the State of Connecticut in 2010. The Finance Office has had four consecutive ‘clean audits’ with no recommendations to improve financial operations.
2. There is a culture of proactively looking for, and implementing, cost savings and efficiencies. Every effort is made to ‘do more with less’ without adversely impacting the high quality of education for our students.
3. When Amity sets its budget, we do so with the best estimate of our expenses and revenues possible. If the world were a static place and no changes occurred in financial operations over the course of a school year, we should end up with a very slight budget surplus. In reality, the District is self-insured and pays all of its actual medical and dental claims as incurred. We can project expected claims. We have seen in this fiscal year a large spike in actual claims. Special education expenditures are most difficult to project with certainty. We know the students we are now servicing and those special needs students who will be coming from

the Member Town Elementary School Districts. However, circumstances change during the school year.

4. In the vast majority of cases, the funds have been returned to the towns or used to reduce the cost to the member towns of the subsequent year's budget. The Amity Finance Committee and Amity Board of Education have used some of the available funds to spend \$150,000 in 2010 to purchase instructional technology equipment including replacing five computer labs with updated equipment and \$177,494 in 2013 to replace the District Offices air handler, which had failed and was beyond its useful life.
5. The District may not keep a 'fund balance', as the towns can, to be used if and when unexpected large expenditures are incurred. For example, snow removal and sanding expenses were \$179,948 in fiscal year 2010-2011, including \$91,948 to remove snow from the school buildings' roofs as highly recommended by the State. In 2012-2013, we spent \$98,975 for snow removal and sanding. The budget was only \$47,000 in both years. We have to closely monitor expenses and revenues, and when necessary, the Superintendent has 'frozen' discretionary spending to generate surplus funds to offset these unanticipated expenses.

We make a concerted effort to disclose all known information in the monthly forecast report. The forecast is based on the information available at the time it is prepared. In the same way, the budgets are put together six months before the start of the fiscal year.

2. *STUDENT ENROLLMENT AND STAFFING: Has the district's staffing level been reduced proportionally with the drop in student enrollment?*

Student enrollment has declined by 204 over an 8-year period including 2014-2015 projected student enrollment. Full-time equivalent staffing has remained basically level. These can be seen in the charts below on Student Enrollment and Staffing (Full-Time Equivalent Positions).

STUDENT ENROLLMENT

YEAR	ENROLLMENT	CHANGE
2007-2008	2,518	(42)
2008-2009	2,550	32
2009-2010	2,549	(1)
2010-2011	2,543	(6)
2011-2012	2,469	(74)
2012-2013	2,393	(76)
2013-2014	2,392	(1)
2014-2015	2,356	<u>(36)</u> (204)

STAFFING (FULL-TIME EQUIVALENT POSITIONS)

YEAR	BMS	OMS	AHS	PPS	OTHER	TOTAL
2007-2008	46.3	46.3	166.9	38.8	18.0	316.3
2008-2009	46.8	46.8	169.6	37.5	19.0	319.7
2009-2010	46.8	46.8	169.0	34.6	19.0	316.2
2010-2011	46.8	46.8	164.0	36.6	19.0	313.2
2011-2012	46.8	46.9	164.1	37.2	20.0	315.0
2012-2013	46.3	46.4	164.6	37.2	20.4	314.9
2013-2014	46.4	46.0	164.2	38.2	20.5	315.3
2014-2015	46.4	46.0	163.4	42.2	20.5	318.5

The level of staffing is impacted by a number of factors, not just the number of students. What programs do we want to offer? How many students do we want in a classroom? Do we want our students to do well in their preparation for college and/or career? What are the contractual limitations?

Program Enhancements:

The District has added new initiatives over the past several years, which has contributed to the high quality of educational opportunities and support we have provided to students.

- 2007-2008: Expanded Culinary Program by 5 sections; increased Theatre by 3 sections; increased Mandarin Chinese by 1 section for Year II; extended Science Research to Year II by 1 section; and created Cultural Geography class.
- 2008-2009: Expanded Science Research by 2 sections; increase Mandarin Chinese by 1 section in Year III; added Mandarin Chinese at Middle Schools; added Director of Guidance position as recommended by comprehensive evaluation of counseling services; added Speech Pathologist to serve needs of expanded special education population.

- 2011-2012: Added Biology teacher to enhance high school program by providing a biology lab experience and support the Board’s STEM initiative, and the implementation of the 8-period schedule allowed students to take more electives.
- 2013-2014: Added Digital Photography Lab; added sections for Spanish and French; added new courses (Physics/Engineering; Oceanography).

Other Factors:

The number of certified staff has been impacted by several factors:

- Additional graduation requirements impact next school year’s freshmen class.
- New Common Core State Standards are mandated.
- Special education students have increased and grant funding has declined.
- Board’s goal is to continue providing a high-quality educational experience.
- We have also added staff for security, technology, and facilities to use in-house personnel for repairs and maintenance rather than outside contractors.

3. MEDICAL AND DENTAL INSURANCE: Has the District made a mistake in switching from a fully insured to a self-funded program?

The District switched from a fully insured to a self-funded program in 2012-2013. The primary reason was to hold down cost increases. From 2007-2008 to 2011-2012, the actual medical and dental insurance costs increased from \$3,496,589 to \$3,908,483, an increase of \$411,894. In the first year of self-funding in 2011-2012, actual expenditures were \$3,504,959, basically the same as in 2007-2008.

YEAR	EXPENSES	CLAIMS
2008-2009	\$3,623,135	\$3,607,480
2009-2010	\$3,550,925	\$3,445,596
2010-2011	\$3,512,371	\$3,751,419
<u>2011-2012</u>	<u>\$3,908,483</u>	<u>\$3,432,647</u>
2012-2013	\$3,504,959	\$3,306,146
2013-2014 Forecast	\$3,568,287	\$4,113,112
2014-2015 Budget	\$3,994,853	\$4,327,885

Note 1: **EXPENSES** includes claims, fixed costs (i.e., self-insurance fee, individual stop-loss premium, aggregate stop-loss premium, managed benefit fee, reinsurance fee, network access fee), employer’s share of High Deductible Health Plans (formerly called Health Savings Accounts) less employees’ and retirees’ premium share and claims paid by grants.

The decision to switch from a fully insured to a self-insured program still remains a good one. The proposed 2014-2015 medical and dental budget of \$3,994,853 is only \$86,370 over actual expenses in 2011-2012, the last year in the fully funded program. This is an increase of 2.2 percent in a 3-year period. The premium increases for fully insured programs in other school districts have significantly exceeded this minimal increase.

The problem is the Self-Insurance Reserve Fund is only in its second year and the high claims in this fiscal year have brought the projected June 30, 2014, balance down to \$177,037. This will probably necessitate the Board transferring the entire OPEB Trust budget of \$528,939 into the Self-Insurance Reserve Fund.

4. TEXTBOOKS: *Is the proposed 2014-2015 budget for Texts & Digital Resources of \$15,551 (current budget of \$90,204) adequate?*

The proposed 2014-2015 budget includes:

Amity Middle School – Bethany Campus: \$1,775 - Additional Social Studies textbooks will accommodate the increase in students as well as support the new 8th grade curriculum.

Amity Middle School – Bethany Campus: \$1,200 – Reading Teachers need materials to work with students on comprehension and fluency. Students need numerous texts to gain exposure to fiction and non-fiction literature. This will align with the Common Core State Standards.

Amity Regional High School: \$6,451 – We need to replace the AP Chemistry textbook. The College Board requires that AP textbooks be no more than 10-years old. The current textbooks are copyright 2004 editions.

Amity Regional High School: \$1,125 – This request is to purchase the Barron's United States History Review Books. This course is being offered next year to sophomores for the first time. We expect this will increase enrollment in AP US History.

District Texts: \$5,000 – This budget will be used if and when we need to order textbooks due to enrollment and/or other reasons.

The rationale for delaying the purchase of new textbooks for another year is, as follows:

- Implementation of the Common Core State Standards: Textbooks are being developed to match the scope and sequence of the new standards.
- Implementation of the new Smarter Balanced Assessment testing: 2014 is the SBAC Field Test year.

- Science: New National Science Standards have not yet been adopted by Connecticut. The CSDE has recommended waiting to purchase any new textbooks.
- Social Studies/History: Creation and implementation of new course scope and sequence for 2015-16 academic year.
- Chinese: Summer curriculum writing work will be granted to teachers to continue developing an expanded Chinese curriculum.

5. TECHNOLOGY: Does the proposed 2014-2015 budget provide the necessary technology resources?

The proposed 2014-2015 budget includes \$193,027 for new and replacement technology equipment. This is a decrease of \$86,002 from this fiscal year's budget.

The District was awarded a State grant of \$186,568 to upgrade the technology infrastructure in this fiscal year. There is no need to budget for new switches and other equipment purchased with the grant funds.

The total technology equipment expenditures in this fiscal year are \$465,597.

The technology budget has been decreased due to:

- Reducing toner purchases by printing more copies off of the Xerox machines at a much lower cost.
- Eliminating the outdated Teacher Incentive Laptop program.
- Eliminating switches, cabling, ChromeBooks and purchasing these with the State grant.

AMITY REGIONAL SCHOOL DISTRICT NO. 5

Bethany Orange Woodbridge
25 Newton Road, Woodbridge Connecticut 06525



Jack B. Levine
Director of Finance and Administration
jack.levine@reg5.k12.ct.us

Phone (203) 397-4813
Fax (203) 397-4864

To: Michael R. Nast, Interim Superintendent of Schools
From: Jack B. Levine, Director of Finance and Administration
Re: Return Funds to Member Towns
Date: January 8, 2014

The auditors will review the audited financial statements for the period ending June 30, 2013. The Amity Finance Committee and Amity Board of Education need to accept the Audited Financial Statements before funds can be returned to the member towns.

Amity Finance Committee and Amity Board of Education:

Move to accept the Annual Financial Report for the period ending June 30, 2013.

The audited financial statements for the fiscal year ended June 30, 2013, has a balance of \$398,285, which should be returned to the Member Towns, as follows:

Town of Bethany	\$ 82,129
Town of Orange	\$197,760
Town of Woodbridge	<u>\$118,396</u>
Total	\$398,285

Amity Finance Committee:

Move to recommend to the Amity Board of Education that the Superintendent of Schools be authorized to return the balance of \$398,285 from the fiscal year ended June 30, 2013, to the Member Towns, as follows: Town of Bethany - \$82,129; Town of Orange - \$197,760; Town of Woodbridge - \$118,396.

Amity Board of Education:

Move to authorize the Superintendent of Schools to return the balance of \$398,285 from the fiscal year ended June 30, 2013, to the Member Towns, as follows: Town of Bethany - \$82,129; Town of Orange - \$197,760; Town of Woodbridge - \$118,396.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
Bethany Orange Woodbridge
25 Newton Road, Woodbridge, Connecticut 06525



Mr. Michael Nast
Interim Superintendent of Schools

michael.nast@reg5.k12.ct.us
phone: (203) 392-2106
Fax: (203) 397-4864

January 13, 2014

To: Members of the Board of Education
From: Michael Nast, Interim Superintendent of Schools
Re: Personnel Report

New Hire(s):

Amity Reg. District Offices – Woodbridge - NONE

Amity Reg. High School – Woodbridge - NONE

Amity Reg. Middle Schools – Orange - NONE

Amity Reg. Middle School – Bethany - NONE

Coaches:

Amity Reg. High School – Woodbridge - NONE

Amity Reg. Middle Schools – Bethany / Orange - NONE

Resignation(s):

James Franco – P/T – Custodian – Amity Reg. High School

Retirement(s): NONE

MRN/pfc

**AMITY REGIONAL SCHOOL DISTRICT NO. 5
REVENUES AND EXPENDITURES
FOR FY 2013-2014**

LINE	CATEGORY	COLUMN 1 2012-2013 ACTUAL	COLUMN 2 2013-2014 BUDGET	COLUMN 3 NOV '13 FORECAST	COLUMN 4 CHANGE INCR./((DECR.))	COLUMN 5 DEC '13 FORECAST	COLUMN 6 VARIANCE OVER/(UNDER)	COL 7 FAV UNF
1	MEMBER TOWN ALLOCATIONS	41,627,220	43,260,053	43,260,053	0	43,260,053	0	FAV
2	OTHER REVENUE	234,264	218,032	254,940	(17,115)	237,825	19,793	FAV
3	OTHER STATE GRANTS	765,300	876,597	643,894	342,635	986,529	109,932	FAV
4	MISCELLANEOUS INCOME	406,782	56,000	39,403	(2,000)	37,403	(18,597)	UNF
5	BUILDING RENOVATION GRANTS	286,347	67,773	67,773	0	67,773	0	FAV
6	TOTAL REVENUES	43,319,913	44,478,455	44,266,063	323,520	44,589,583	111,128	FAV
7	SALARIES	22,915,703	23,516,038	23,451,334	(9,430)	23,441,904	(74,134)	FAV
8	BENEFITS	5,114,613	5,256,101	5,233,433	(217)	5,233,216	(22,885)	FAV
9	PURCHASED SERVICES	6,111,199	6,974,367	6,737,831	(34,220)	6,703,611	(270,756)	FAV
10	DEBT SERVICE	5,469,195	4,913,679	4,916,444	0	4,916,444	2,765	UNF
11	SUPPLIES (INCLUDING UTILITIES)	2,945,495	3,096,685	3,086,170	0	3,086,170	(10,515)	FAV
12	EQUIPMENT	154,864	324,479	315,528	21,850	337,378	12,899	UNF
13	IMPROVEMENTS / CONTINGENCY	57,696	247,006	212,097	0	212,097	(34,909)	FAV
14	DUES AND FEES	113,989	150,100	150,100	0	150,100	0	FAV
15	TRANSFER ACCOUNT	177,494	0	0	0	0	0	FAV
16	ESTIMATED UNSPENT BUDGETS	0	0	0	0	0	0	FAV
17	TOTAL EXPENDITURES	43,060,248	44,478,455	44,102,937	(22,017)	44,080,920	(397,535)	FAV
18	SUBTOTAL	259,665	0	163,126	345,537	508,663	508,663	FAV
19	PLUS: CANCELLATION OF PRIOR YEAR'S ENCUMBRANCES	37,255	0	0	0	0	0	FAV
20	PLUS: RECORDING OF ERRP FROM PRIOR YEAR	64,034	0	0	0	0	0	FAV
21	PLUS: RECORDING OF BOND PREMIUM PROCEEDS	35,000	0	0	0	0	0	FAV
22	PLUS: AUDIT ADJUSTMENT FROM PRIOR YEAR	2,331	0	0	0	0	0	FAV
23	DESIGNATED FOR SUBSEQUENT YEAR'S BUDGET:							
24	LESS: ASSIGNED TO NEXT YEAR'S BUDGET	0	0	0	0	0	0	FAV
25	LESS: COMMITTED TO ERRP	0	0	0	0	0	0	FAV
26	NET BALANCE / (DEFICIT)	398,285	0	163,126	345,537	508,663	508,663	FAV

Column 7: FAV=Favorable Variance
Revenues: At or OVER budget
Expenditures: At or UNDER budget

**AMITY REGIONAL SCHOOL DISTRICT NO. 5
REVENUES AND EXPENDITURES
FOR FY 2013-2014**

LINE	CATEGORY	COLUMN 1 2012-2013 ACTUAL	COLUMN 2 2013-2014 BUDGET	COLUMN 3 NOV '13 FORECAST	COLUMN 4 CHANGE INCR./(DECR.)	COLUMN 5 DEC '13 FORECAST	COLUMN 6 VARIANCE OVER/(UNDER)	COL 7 FAV UNF
1	BETHANY ALLOCATION	8,583,949	8,670,180	8,670,180	0	8,670,180	0	FAV
2	ORANGE ALLOCATION	20,669,164	21,602,772	21,602,772	0	21,602,772	0	FAV
3	WOODBIDGE ALLOCATION	12,374,107	12,987,101	12,987,101	0	12,987,101	0	FAV
4	MEMBER TOWN ALLOCATIONS	41,627,220	43,260,053	43,260,053	0	43,260,053	0	FAV
5	ADULT EDUCATION	2,990	2,936	3,209	0	3,209	273	FAV
6	PARKING INCOME	31,562	30,000	30,000	0	30,000	0	FAV
7	INVESTMENT INCOME	358	1,500	844	0	844	(656)	UNF
8	ATHLETICS	22,372	23,500	23,500	0	23,500	0	FAV
9	TUITION REVENUE	110,859	86,382	124,814	0	124,814	38,432	FAV
10	TRANSPORTATION INCOME	66,123	73,714	72,573	(17,115)	55,458	(18,256)	UNF
11	TRANSPORTATION BOWA AGREEMENT	0	0	0	0	0	0	FAV
12	OTHER REVENUE	234,264	218,032	254,940	(17,115)	237,825	19,793	FAV
13	BESB GRANT	0	0	0	0	0	0	FAV
14	SPECIAL EDUCATION GRANTS	765,300	876,597	643,894	342,635	986,529	109,932	FAV
15	OTHER STATE GRANTS	765,300	876,597	643,894	342,635	986,529	109,932	FAV
16	RENTAL INCOME	31,357	29,000	21,000	0	21,000	(8,000)	UNF
17	CAPITAL RESERVE	0	0	0	0	0	0	FAV
18	CONSTRUCTION SINKING DEBT FUND	0	0	0	0	0	0	FAV
19	DESIGNATED FROM PRIOR YEAR	300,000	0	0	0	0	0	FAV
20	EARLY RETIREE REINSURANCE PROGRAM	0	0	0	0	0	0	FAV
21	OTHER REVENUE	75,425	27,000	18,403	(2,000)	16,403	(10,597)	UNF
22	TRANSFER IN	0	0	0	0	0	0	FAV
23	MISCELLANEOUS INCOME	406,782	56,000	39,403	(2,000)	37,403	(18,597)	UNF
24	BUILDING RENOVATION GRANTS	286,347	67,773	67,773	0	67,773	0	FAV
25	TOTAL REVENUES	43,319,913	44,478,455	44,266,063	323,520	44,589,583	111,128	FAV

Column 7: FAV=Favorable Variance
Revenues: At or OVER budget
Expenditures: At or UNDER budget

**AMITY REGIONAL SCHOOL DISTRICT NO. 5
REVENUES AND EXPENDITURES
FOR FY 2013-2014**

LINE	CATEGORY	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6	COL 7
		2012-2013 ACTUAL	2013-2014 BUDGET	NOV '13 FORECAST	CHANGE INCR./(DECR.)	DEC '13 FORECAST	VARIANCE OVER/(UNDER)	FAV UNF
1	5111-CERTIFIED SALARIES	19,299,776	19,712,301	19,631,792	0	19,631,792	(80,509)	FAV
2	5112-CLASSIFIED SALARIES	3,615,927	3,803,737	3,819,542	(9,430)	3,810,112	6,375	UNF
3	SALARIES	22,915,703	23,516,038	23,451,334	(9,430)	23,441,904	(74,134)	FAV
4	5200-MEDICARE - ER	298,493	310,765	305,470	(123)	305,347	(5,418)	FAV
5	5210-FICA - ER	228,835	235,430	234,184	(94)	234,090	(1,340)	FAV
6	5220-WORKERS' COMPENSATION	149,887	193,000	184,362	0	184,362	(8,638)	FAV
7	5255-MEDICAL & DENTAL INSURANCE	3,110,613	3,039,348	3,039,348	0	3,039,348	0	FAV
8	5860-OPEB TRUST	394,346	528,939	528,939	0	528,939	0	FAV
9	5260-LIFE INSURANCE	46,733	50,263	44,172	0	44,172	(6,091)	FAV
10	5275-DISABILITY INSURANCE	10,426	10,615	9,217	0	9,217	(1,398)	FAV
11	5280-PENSION PLAN - CLASSIFIED	663,791	707,554	707,554	0	707,554	0	FAV
12	5282-RETIREMENT SICK LEAVE - CERT	83,794	61,142	61,142	0	61,142	0	FAV
13	5283-RETIREMENT SICK LEAVE - CLASS	4,575	18,557	18,557	0	18,557	0	FAV
14	5284-SEVERANCE PAY - CERTIFIED	114,570	70,488	70,488	0	70,488	0	FAV
15	5290-UNEMPLOYMENT COMPENSATION	8,550	30,000	30,000	0	30,000	0	FAV
16	BENEFITS	5,114,613	5,256,101	5,233,433	(217)	5,233,216	(22,885)	FAV
17	5322-INSTRUCTIONAL PROG IMPROVEMENT	17,393	11,564	19,564	0	19,564	8,000	UNF
18	5327-DATA PROCESSING	63,926	67,730	67,730	0	67,730	0	FAV
19	5330-OTHER PROFESSIONAL & TECHNICAL SRVC	990,797	1,050,636	1,099,736	(21,850)	1,077,886	27,250	UNF
20	5440-RENTALS - LAND, BLDG, EQUIPMENT	75,995	94,227	94,227	0	94,227	0	FAV
21	5510-PUPIL TRANSPORTATION	2,185,438	2,493,553	2,331,524	(25,071)	2,306,453	(187,100)	FAV
22	5521-GENERAL LIABILITY INSURANCE	166,401	183,792	176,968	0	176,968	(6,824)	FAV
23	5550-COMMUNICATIONS: TEL, POST, ETC.	62,858	77,168	77,168	0	77,168	0	FAV
24	5560-TUITION EXPENSE	2,464,993	2,896,374	2,771,591	12,701	2,784,292	(112,082)	FAV
25	5590-OTHER PURCHASED SERVICES	83,398	99,323	99,323	0	99,323	0	FAV
26	PURCHASED SERVICES	6,111,199	6,974,367	6,737,831	(34,220)	6,703,611	(270,756)	FAV

Column 7: FAV=Favorable Variance
Revenues: At or OVER budget
Expenditures: At or UNDER budget

**AMITY REGIONAL SCHOOL DISTRICT NO. 5
REVENUES AND EXPENDITURES
FOR FY 2013-2014**

LINE	CATEGORY	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6	COL 7
		2012-2013 ACTUAL	2013-2014 BUDGET	NOV '13 FORECAST	CHANGE INCR./DECR.)	DEC '13 FORECAST	VARIANCE OVER/(UNDER)	
27	5830-INTEREST	1,655,560	1,603,406	1,603,406	0	1,603,406	0	FAV
28	5910-REDEMPTION OF PRINCIPAL	3,813,635	3,310,273	3,313,038	0	3,313,038	2,765	UNF
29	DEBT SERVICE	5,469,195	4,913,679	4,916,444	0	4,916,444	2,765	UNF
30	5410-UTILITIES, EXCLUDING HEAT	713,980	811,240	819,958	0	819,958	8,718	UNF
31	5420-REPAIRS, MAINTENANCE & CLEANING	734,850	678,797	686,477	0	686,477	7,680	UNF
32	5611-INSTRUCTIONAL SUPPLIES	354,115	387,620	378,763	0	378,763	(8,857)	FAV
33	5613-MAINTENANCE/CUSTODIAL SUPPLIES	180,396	189,355	192,442	0	192,442	3,087	UNF
34	5620-OIL USED FOR HEATING	38,330	135,500	135,500	0	135,500	0	FAV
35	5621-NATURAL GAS	92,465	125,000	110,000	0	110,000	(15,000)	FAV
36	5627-TRANSPORTATION SUPPLIES	188,718	183,803	183,803	0	183,803	0	FAV
37	5641-TEXTS & DIGITAL RESOURCES	102,002	90,204	90,204	0	90,204	0	FAV
38	5642-LIBRARY BOOKS & PERIODICALS	21,236	21,607	21,607	0	21,607	0	FAV
39	5690-OTHER SUPPLIES	519,403	473,559	467,416	0	467,416	(6,143)	FAV
40	SUPPLIES (INCLUDING UTILITIES)	2,945,495	3,096,685	3,086,170	0	3,086,170	(10,515)	FAV
41	5730-EQUIPMENT - NEW	97,876	105,519	105,519	0	105,519	0	FAV
42	5731-EQUIPMENT - REPLACEMENT	56,988	218,960	210,009	21,850	231,859	12,899	UNF
43	EQUIPMENT	154,864	324,479	315,528	21,850	337,378	12,899	UNF
44	5715-IMPROVEMENTS TO BUILDING	0	48,006	48,006	0	48,006	0	FAV
45	5720-IMPROVEMENTS TO SITES	57,696	49,000	38,990	0	38,990	(10,010)	FAV
46	5850-CONTINGENCY	150,000	150,000	150,000	0	150,000	0	FAV
47	TRSF. FROM CONTINGENCY TO OTHER ACCTS.	(150,000)	0	(24,899)	0	(24,899)	(24,899)	FAV
48	5855-CAPITAL RESERVE	0	0	0	0	0	0	FAV
49	IMPROVEMENTS / CONTINGENCY	57,696	247,006	212,097	0	212,097	(34,909)	FAV
50	5580-STAFF TRAVEL	19,255	21,568	21,568	0	21,568	0	FAV
51	5581-TRAVEL - CONFERENCES	12,702	23,624	23,624	0	23,624	0	FAV
52	5810-DUES & FEES	82,032	104,908	104,908	0	104,908	0	FAV
53	DUES AND FEES	113,989	150,100	150,100	0	150,100	0	FAV
54	5856-TRANSFER ACCOUNT	177,494	0	0	0	0	0	FAV
55	ESTIMATED UNSPENT BUDGETS	0	0	0	0	0	0	FAV
56	TOTAL EXPENDITURES	43,060,248	44,478,455	44,102,937	(22,017)	44,080,920	(397,535)	FAV

Column 7: FAV=Favorable Variance
Revenues: At or OVER budget
Expenditures: At or UNDER budget

**AMITY REGIONAL SCHOOL DISTRICT NO. 5
REVENUES & EXPENDITURES BY CATEGORY
FINANCIAL ANALYSIS
FOR THE FISCAL YEAR 2013-2014**

DECEMBER 2013

2013-2014 FORECAST

The projected net balance of revenues and expenditures for this fiscal year is **\$508,663 FAV (previously \$163,126 FAV)**, which appears on page 1, column 6, line 18.

REVENUES BY CATEGORY

The projected yearend balance of revenues is **\$111,128 FAV (previously \$212,392 UNF)**, which appears on page 2, column 6, line 25.

LINE 5 on Page 2: ADULT EDUCATION:

The forecast is based on the current State award.

LINE 7 on Page 2: INVESTMENT INCOME:

The budget is based on the expectation interest rates will remain low. To-date, this has been the case. The interest rate at Peoples United bank was **0.25 percent (no change from prior month)** and State Treasurer's Investment Fund (STIF) was **0.15 percent in December (0.16 percent in November)**. Most of the District's funds are kept a Peoples United Bank.

LINE 9 on Page 2: TUITION REVENUE:

The budget assumed six tuition students at full price. We have 11 tuition students, 10 at full tuition price and 1 student at the employee rate. Two of the tuition students became residents in December, and therefore, no longer pay tuition to the District.

LINE 10 on Page 2: TRANSPORTATION INCOME:

The projected income is based on FY 2012 and FY 2013 data and the State caps. The forecast includes an adjustment of \$30,000 from the prior fiscal year. The State makes prior year adjustments against the current year's transportation payment. These changes are made between the March SEDAC-G filing and the actual final special education costs reported on the ED001 report.

LINE 14 on Page 2: SPECIAL EDUCATION GRANTS:

The forecast is based on the SEDAC-G report filed with the State in December 2013. The State reimbursement rate is projected to be 81 percent compared to the budget of 75 percent.

LINE 16 on Page 2: RENTAL INCOME:

NCS Pearson typically rented Bethany Middle School for about \$11,000 per year to offer graduate classes. They are now offering their classes on-line.

LINE 21 on Page 2: OTHER REVENUE:

The teachers' union payment for their union representative's release time is only .10 this fiscal year, not .20 as was budgeted. *Miscellaneous vendor rebates and refunds are put in this account.*

EXPENDITURES BY CATEGORY

The projected yearend balance of expenditures is \$397,535 FAV (previously \$375,518 FAV), which appears on page 4, column 6, line 57.

LINE 1 on Page 3: 5111-CERTIFIED SALARIES:

'Turnover savings' (i.e., replacing teachers who retired or resigned) exceeded budget by \$79,977 FAV. The replacement for the Reading Department Head was decreased from 1.0 to 0.6 full-time equivalent at a savings of \$22,438 FAV. Expenses were increased by \$9,290 UNF due to long-term substitutes hired to cover leaves-of-absence.

LINE 2 on Page 3: 5112-CLASSIFIED SALARIES:

A part-time security guard for Amity High School will provide coverage after the end of the school day when many students and others are in the building.

LINES 4 and 5 on Page 3: MEDICARE AND FICA:

The forecast is based on the projected salaries.

LINE 6 on Page 3: 5220-WORKERS' COMPENSATION:

The actual premiums are \$8,638 FAV under budget. The forecast assumes the payroll audit premium will be the same as the budget of \$13,000.

LINES 7 on Page 3: 5255-MEDICAL AND DENTAL INSURANCE:

NET COSTS - ACTUAL VERSUS BUDGET

<u>Month</u>	<u>Actual Costs</u>	<u>Budget Costs</u>	<u>Variance</u>
July	\$ 505,351	\$ 367,223	\$ 138,128 UNF
August	\$ 441,878	\$ 324,767	\$ 117,111 UNF
September	\$ 295,178	\$ 242,405	\$ 52,773 UNF
October	\$ 266,753	\$ 246,338	\$ 20,415 UNF
November	\$ 262,780	\$ 252,053	\$ 10,727 UNF
December	\$ 310,632	\$ 212,258	\$ 98,374 UNF
January	\$	\$ 257,640	
February	\$	\$ 240,104	
March	\$	\$ 224,374	
April	\$	\$ 224,164	
May	\$	\$ 224,097	
June	\$	\$ 223,925	
		<u>\$3,039,348</u>	

Note: Net costs include claims, fixed costs (i.e., self-insurance fee, individual stop-loss premium, aggregate stop-loss premium, managed benefit fee, reinsurance fee, network access fee), employer's share of High Deductible Health Plans (formerly called Health Savings Accounts) less employees' and retirees' premium share and claims paid by grants.

CLAIMS ONLY

	2013-2014	2013-2014	2012-2013
<u>Month</u>	<u>Actual Claims</u>	<u>Budget Claims</u>	<u>Actual Claims</u>
July	\$ 430,267	\$ 319,749	\$ 157,090
August	\$ 381,584	\$ 319,749	\$ 277,965
September	\$ 306,378	\$ 319,749	\$ 184,534
October	\$ 332,358	\$ 319,749	\$ 228,344
November	\$ 327,966	\$ 319,749	\$ 282,319
December	\$ 416,061	\$ 319,749	\$ 316,551
January	\$	\$ 319,749	\$ 317,314
February	\$	\$ 319,749	\$ 241,012
March	\$	\$ 319,749	\$ 251,862
April	\$	\$ 319,749	\$ 314,479
May	\$	\$ 319,749	\$ 309,373
June	\$	\$ 319,753	\$ 425,303
		<u>\$3,836,992</u>	<u>\$3,306,146</u>

Self-Insurance Reserve Fund Balance

ERRP	\$ 63,956
Implicit Rate Subsidy	\$ 394,346
Net 2012-2013 Balance	\$ 156,263
Reserve Balance, June 30, 2013	\$ 614,565
Over / (Under) 2013-2014 Budget	(437,528)
Projected, June 30, 2014	\$ 177,037
Budget Target, June 30, 2014	\$ 754,824

Note: A budget transfer request may need to be made to move some or the entire OPEB Trust budget into the Self-Insurance Reserve Fund. This is due to the higher than expected claims. A recommendation will be made later in the fiscal year.

LINE 9 on Page 3: 5260-LIFE INSURANCE:

The forecast is based on current staffing.

LINE 10 on Page 3: 5275-DISABILITY INSURANCE:

The forecast is based on current staffing.

LINE 17 on Page 3: 5322-INSTRUCTIONAL PROGRAM IMPROVEMENT:

A budget transfer of \$8,000 UNF was made to cover the participation fee for ACES Consortium membership from July 1, 2013 through June 30, 2014.

LINE 19 on Page 3: 5330-OTHER PROFESSIONAL & TECHNICAL SRVC.:

During the transition to fill the vacant District Technology Coordinator position, Dr. Brady authorized the hiring of TBNG Consulting of West Haven. The firm provided a comprehensive network support team. A budget transfer of \$7,750 UNF was made to pay TBNG Consulting for services rendered in July.

Last year, the Board authorized the purchase of technology equipment to replace Megabit network switches to Gigabit switches for \$21,850, which is included in this fiscal year's budget. The purpose of this was to free up these funds for a long-range planning study. *Instead a portion of these funds will be used to pay for the labor costs related to the upgrade of the District's technology infrastructure. The State has informed us that the infrastructure grant will not pay for labor costs, only equipment. The remaining grant funds will be used to purchase ChromeBooks needed for new on-line testing format.*

The budget for the annual audit is \$40,000; however, the Board extended the contract of the current auditor at a reduced price of \$32,500. Thus, the forecast includes a favorable variance of \$7,500 FAV.

The forecast includes \$15,000 UNF to hire a Superintendent search consultant. A budget transfer has not yet been requested.

A budget transfer of \$12,000 UNF was made to hire an engineering firm to evaluate the HVAC systems at Orange Middle School. The study will look into the causes for the humidity issues experienced at this particular site and propose modifications to the operations of the HVAC systems to mitigate the problem.

LINE 21 on Page 3: 5510-PUPIL TRANSPORTATION:

Special Education Transportation is projected to be under budget by \$187,100 FAV (previously \$162,029 FAV).

LINE 22 on Page 3: 5521-GENERAL LIABILITY INSURANCE:

Actual premiums for property, liability, crime and international travel coverage were \$178 UNF over budget. Fiduciary insurance is projected to be \$565 UNF over budget.

Finance Manager Terry Lumas found some overpayments in 2011-2012 and endorsement credits that were applied to the District's account but not returned to us. This amounted to \$5,976.99 FAV. The insurance carrier agreed to credit our premiums for this fiscal year.

Student Accident Insurance premium was \$1,590 FAV under budget, including catastrophic accident medical insurance. Claims have been very high. The projected loss ratio for 2012-2013 is 116 percent. Unfortunately, some of the claimants have no family insurance coverage, so the District's policy ends up paying as the primary plan rather than the secondary plan. The favorable variance is due to the insurance carrier's projection for the budget being conservative.

LINE 25 on Page 3: 5560-TUITION EXPENSE:

These figures are subject to change on a monthly basis.

Tuition is forecast to be under budget by *\$112,082 FAV (previously \$124,783 FAV)*.

Tuition for the vo-ag schools has a projected variance of *\$76,922 FAV (previously the same)*. The number of students is lower than budgeted.

	FY09-10 ACTUAL	FY10-11 ACTUAL	FY11-12 ACTUAL	FY12-13 ACTUAL	FY13-14 BUDGET	FY13-14 ACTUAL
Sound	9	7	6	8	9	8
Trumbull	2	4	3	2	4	2
Nonnewaug	5	5	3	2	4	2
ACES Wintergreen Magnet	0	0	0	2	1	1
Totals	16	16	12	14	18	13

Public (ACES) and private out-of-district placements has a projected favorable variance of *\$31,398 FAV (previously \$44,099 FAV)*. At this time, there are fewer students than budgeted.

	FY09-10 ACTUAL	FY10-11 ACTUAL	FY11-12 ACTUAL	FY12-13 ACTUAL	FY13-14 BUDGET	FY13-14 ACTUAL
Public SPED	7	6	6	8	8	6
Private SPED	20.5	21	24	21	22	22
Totals	27.5	27	30	29	30	28

Note: 0.5 is a part-time student.

The District has 26 students attending ECA. There is a favorable variance of **\$3,762 FAV**.

LINE 28 on Page 4: 5910-REDEMPTION OF PRINCIPAL:

The unspent balances in the Reserve Fund for Capital and Nonrecurring Expenditures for the high school generator, high school roof restoration, high school air handler and natural gas conversion of \$64,727.25 were re-designated for payment of debt service in 2013-2014. Due to a yearend audit adjustment, the amount available is \$61,961.77. Therefore, there is an unfavorable variance of **\$2,765.48 UNF**.

LINE 30 on Page 4: 5410-UTILITIES, EXCLUDING HEAT:

Electricity usage is budgeted at 3,805,373 kilowatt hours at an average price of \$0.1634 per kilowatt hour. Last fiscal year, energy savings were less than budgeted for the middle schools and distribution rates were higher than expected. At this early stage, we are assuming usage of 3,866,572 kilowatt hours at an average price of \$0.1634 per kilowatt hour. Thus, Facilities Director is projecting an unfavorable variance of **\$20,000 UNF**.

Load shed credits of \$11,392 FAV were received. We did not budget for these credits. Sewer billings are based on last year's water usage. The Facilities Director projects an unfavorable variance of \$264 UNF.

The Facilities Director projects propane will have a yearend favorable variance of \$154 FAV.

LINE 31 on Page 4: 5420-REPAIRS, MAINTENANCE & CLEANING:

A budget transfer of \$7,680 UNF was made to cover the costs of the air quality testing done at Orange Middle School. Due to the high humidity, we found some mold in the building. For health and safety reasons, the Interim Superintendent of Schools hired Fuss & O'Neill to perform air quality testing.

Snow removal and sanding expenditures through the storm on January 3, 2014 were \$20,875. The budget is \$47,000.

LINE 32 on Page 4: 5611-INSTRUCTIONAL SUPPLIES:

A budget transfer of \$8,857 FAV was made to Other Supplies to offset the purchase of Scantron student licensing for software and on-site training.

LINE 33 on Page 4: 5613-MAINTENANCE/CUSTODIAL SERVICES:

A budget transfer of \$3,087 UNF was made for the purchase of dehumidifiers for Orange Middle School, as part of our effort to eliminate the growth of mold in certain areas.

LINE 35 on Page 4: 5621-NATURAL GAS:

Last fiscal year, total expenditures were \$92,464. Projected usage for this fiscal year is 10,000 MBTU at \$11 per MBTU compared to a budget of 11,365 MBTU at \$11 per MBTU, or a favorable variance of \$15,000 FAV.

LINE 39 on Page 4: 5690-OTHER SUPPLIES:

Last fiscal year, we negotiated a two-year contract with Xerox to supply toner, maintenance kits and fusers, as well as service, for the District's printers at a substantial savings. For example, the price per copy of black and white printed pages will be lowered from \$0.08 (which we now pay Hewlett-Packard Company) to \$0.02, or a 75 percent reduction in cost. The estimated annual savings is \$15,000 FAV.

A budget transfer of \$8,857 UNF was made to purchase Scantron student licensing for software and on-site training. The system will allow teachers to develop multiple choice, selected-response, and open-ended assessments in a format that, once assessed, will upload data and results for teachers and administrators.

LINE 42 on Page 4: 5731-EQUIPMENT-REPLACEMENT:

Last year, the Board authorized the purchase of technology equipment to replace Megabit network switches to Gigabit switches for \$21,850, which is included in this fiscal year's budget. The purpose of this was to free up these funds for a long-range planning study. *Instead a portion of these funds will be used to pay for the labor costs related to the upgrade of the District's technology infrastructure. The State has informed us that the infrastructure grant will not pay for labor costs, only equipment. The remaining grant funds will be used to purchase ChromeBooks needed for new on-line testing format.*

A budget request of **\$12,899 UNF** has been made to cover the cost of purchasing a stainless steel tank for the Orange Middle School. The hot water boiler that provides all of the domestic hot water to Orange Middle School developed a small leak during the week of October 22, 2013. Leaks always get worst over time. If the tank completely fails, we would not be supplying domestic hot water to the building. This is a sanitation issue for the kitchen and other building occupants as they would not have hot water to wash dishes, pans, or hands. Kitchens are required to provide 180 degree rinse in the dish washer machines and that could not be achieved with the lack of domestic hot water supplied to the booster heater in the kitchen. The water heater has been ordered, as the Interim Superintendent and Board Chair agreed it was a health and safety matter.

LINE 45 on Page 4: 5720-IMPROVEMENTS TO SITES:

Due to the successful over seeding, fertilizing, and aerating of Stadium Field and the really wet spring, the field is in great shape and the re-sodding will not be necessary. The budget of **\$15,000 FAV** for the re-sodding will not be used.

The forecast includes a budget transfer of **\$4,990 UNF** to purchase an additional 40 feet of netting for the softball field at Amity High School. This is to protect people and property from foul balls.

LINE 47 and LINE 48 on Page 4: 5850-CONTINGENCY:

The forecast assumes the entire Contingency Account of \$150,000 will be spent by fiscal year end. The remaining balance is \$125,101.

October: **\$12,000** – Hire vanZelm Engineers to provide engineering services to evaluate the HVAC systems at Orange Middle School. The study will look into the causes for the humidity issues experienced at this particular site and propose modifications to the operation of the HVAC systems to mitigate the problem.

December: **\$12,899** - Replace the Orange Middle School hot water heater immediately for health and safety reasons.

Amity Regional School District No. 5 - Budget Transfers 2013-2014

<u>MONTH/YR</u>	<u>JNL#</u>	<u>ACCOUNT NUMBER & DESCRIPTION</u>		<u>AMOUNT</u>	<u>DESCRIPTION</u>
July 2013	53	01111009	5611	INSTRUCTIONAL SUPPLIES	\$ -50.00 MATHCOUNTS REGISTRATION
July 2013	53	01111009	5810	DUES & FEES	\$ 50.00 MATHCOUNTS REGISTRATION
July 2013	54	03111001	5730	EQUIPMENT - NEW	\$ 2,645.00 Digital lab tables/chairs
July 2013	54	03132400	5550	COMMUNICATIONS: TEL,POST,ETC.	\$ -2,645.00 Digital lab tables/chairs
July 2013	55	03132120	5111	CERTIFIED SALARIES	\$ 2,994.00 Counselors working summer reg
July 2013	55	03132120	5611	INSTRUCTIONAL SUPPLIES	\$ -2,994.00 Counselors working summer reg
July 2013	69	05142510	5690	OTHER SUPPLIES	\$ -1,320.00 Book Truck
July 2013	69	05142510	5690	OTHER SUPPLIES	\$ -272.00 Book Truck shipping
July 2013	69	01111005	5690	OTHER SUPPLIES	\$ 1,320.00 Book Truck
July 2013	69	01111005	5690	OTHER SUPPLIES	\$ 272.00 Book Truck shipping
July 2013	126	02132220	5330	OTHER PROFESSIONAL & TECH SRVC	\$ -900.00 Purchase additional books
July 2013	126	02132220	5642	LIBRARY BOOKS & PERIODICALS	\$ 900.00 Purchase additional books
July 2013	134	02132220	5642	LIBRARY BOOKS & PERIODICALS	\$ 600.00 Character Education books
July 2013	134	02132120	5330	OTHER PROFESSIONAL & TECH SRVC	\$ -600.00 Character Education books
August 2013	123	01111008	5611	INSTRUCTIONAL SUPPLIES	\$ -2,098.00 FOR 3D PRINTER
August 2013	123	01142219	5730	EQUIPMENT - NEW	\$ 2,098.00 FOR 3D PRINTER
September 2013	15	02111008	5611	INSTRUCTIONAL SUPPLIES	\$ -2,820.00 3D PRINTER
September 2013	15	02111008	5730	EQUIPMENT - NEW	\$ 2,820.00 3D PRINTER
September 2013	44	02132120	5330	OTHER PROFESSIONAL & TECH SRVC	\$ -600.00 TO PURCHASE BOOKS
September 2013	44	02132220	5642	LIBRARY BOOKS & PERIODICALS	\$ 600.00 TO PURCHASE BOOKS
September 2013	46	02132220	5642	LIBRARY BOOKS & PERIODICALS	\$ 900.00 PURCHASE AUTHOR BOOKS
September 2013	46	02132220	5330	OTHER PROFESSIONAL & TECH SRVC	\$ -900.00 PURCHASE AUTHOR BOOKS
September 2013	57	03142219	5611	INSTRUCTIONAL SUPPLIES	\$ -1,144.00 5 laptops BOE SEPT
September 2013	57	03132120	5590	OTHER PURCHASED SERVICES	\$ -1,000.00 5 laptops BOE SEPT
September 2013	57	03132400	5550	COMMUNICATIONS: TEL,POST,ETC.	\$ -328.00 5 laptops BOE SEPT
September 2013	84	05142350	5690	OTHER SUPPLIES	\$ 2,682.00 Adobe site license
September 2013	84	03142600	5715	IMPROVEMENTS TO BUILDINGS	\$ -2,682.00 Adobe site license
September 2013	110	03111009	5611	INSTRUCTIONAL SUPPLIES	\$ -2,152.00 purchase scantron scanner
September 2013	110	05142350	5730	EQUIPMENT - NEW	\$ 2,152.00 purchase scantron scanner
September 2013	111	03111015	5611	INSTRUCTIONAL SUPPLIES	\$ -1,092.00 STEM supplies for Orange
September 2013	111	03111015	5611	INSTRUCTIONAL SUPPLIES	\$ -1,092.00 STEM supplies for Bethany
September 2013	111	03111015	5810	DUES & FEES	\$ -150.00 STEM for Bethany
September 2013	111	03111015	5810	DUES & FEES	\$ -150.00 STEM for Orange
September 2013	111	02111015	5611	INSTRUCTIONAL SUPPLIES	\$ 1,092.00 STEM supplies
September 2013	111	02111015	5810	DUES & FEES	\$ 150.00 STEM supplies
September 2013	111	01111015	5611	INSTRUCTIONAL SUPPLIES	\$ 1,092.00 STEM supplies
September 2013	111	01111015	5810	DUES & FEES	\$ 150.00 STEM supplies
September 2013	146	03132220	5611	INSTRUCTIONAL SUPPLIES	\$ -1,500.00 to purchase database
September 2013	146	03132220	5690	OTHER SUPPLIES	\$ 1,500.00 to purchase database
September 2013	163	02132220	5330	OTHER PROFESSIONAL & TECH SRVC	\$ 900.00 Reverse Dup #46
September 2013	163	02132220	5642	LIBRARY BOOKS & PERIODICALS	\$ -900.00 Reverse Dup #46
October 2013	87	02132120	5590	OTHER PURCHASED SERVICES	\$ 255.00 TO PURCHASE AWARD CERTIFICATES
October 2013	87	02132120	5690	OTHER SUPPLIES	\$ -255.00 TO PURCHASE AWARD CERTIFICATES
October 2013	118	03111010	5730	EQUIPMENT - NEW	\$ 500.00 New Drum Set for Strings Progr
October 2013	118	03142219	5611	INSTRUCTIONAL SUPPLIES	\$ -500.00 New Drum Set for Strings Progr
October 2013	173	05142350	5690	OTHER SUPPLIES	\$ 2,440.00 MOODLE ON LINE ASSESSING
October 2013	173	05132212	5611	INSTRUCTIONAL SUPPLIES	\$ -2,440.00 MOODLE ON LINE ASSESSING
October 2013	174	03111006	5611	INSTRUCTIONAL SUPPLIES	\$ -140.00 reimbursement/conference fee
October 2013	174	03111006	5810	DUES & FEES	\$ 140.00 reimbursement/conference fee
November 2013	44	03111001	5731	EQUIPMENT - REPLACEMENT	\$ 1,150.00 tranfer funds - replace print
November 2013	44	03111001	5611	INSTRUCTIONAL SUPPLIES	\$ -1,150.00 tranfer funds - replace print
December 2013	23	03132120	5590	OTHER PURCHASED SERVICES	\$ 70.00 ACT
December 2013	23	03132120	5611	INSTRUCTIONAL SUPPLIES	\$ -70.00 ACT
December 2013	74	05142350	5731	EQUIPMENT - REPLACEMENT	\$ 500.00 MODEM REPLACEMENT

MONTH/YR
December 2013

JNL#
74

ACCOUNT NUMBER & DESCRIPTION
03142600 5613 MAINTENANCE/CUSTODIAL SUPPLIES

AMOUNT
\$ -500.00

DESCRIPTION
MODEM REPLACEMENT

AMITY REGIONAL SCHOOL DISTRICT NO. 5
Bethany Orange Woodbridge
25 Newton Road, Woodbridge Connecticut 06525



Jack B. Levine
Director of Finance and Administration
jack.levine@reg5.k12.ct.us

Phone (203) 397-4813
Fax (203) 397-4864

To: Michael R. Nast, Interim Superintendent of Schools
From: Jack B. Levine, Director of Finance and Administration
Re: Budget Transfers of \$3,000 or More for Fiscal Year 2013-2014
Date: January 8, 2014

I recommend the Amity Finance Committee and Board of Education approve the following budget transfer(s) of over \$3,000:

Upgrade of District's Technology Infrastructure & Computer Equipment:

As reported, the District was awarded a grant of \$186,568 through the efforts of Technology Education Specialist Lisa Lassen and District Technology Coordinator Shaun DeRosa. We need to transfer \$15,000 to Other Professional & Technical Services to pay for the labor to install the upgrade of the District's technology infrastructure. Labor costs cannot be paid by the grant funds. The funding for the labor costs will come from the unused technology budget of \$21,850 to replace Megabit network switches to Gigabit Switches. We had set these funds aside to pay for a long-range planning study; however, we are now asking to use these funds to pay for the labor costs to install the new technology infrastructure. We will use the remaining Grant funding to purchase ChromeBooks needed for new on-line testing format.

#1 - Move to make the following budget transfer to pay Consolidated Computers, Inc. of Easton, Connecticut, as part of the total bid price, \$15,000 for labor costs:

ACCOUNT NUMBER	ACCOUNT NAME	FROM	TO
05-14-2350-5731	Equipment - Replacement	\$15,000	
05-14-2310-5330	Other Professional & Tech. Svrs.		\$15,000

Attached are the minutes from the following Board of Education
Sub-Committee meetings:

Finance Committee

12/9/13

MINUTES

COMMITTEE MEMBERS PRESENT: Matthew Giglietti, John Grabowski, John Grasso, Jr., James Horwitz (5:51 p.m.), James Stirling

COMMITTEE MEMBERS ABSENT: Joseph Nuzzo

Also Present: Shaun DeRosa, Jack Levine, Marianne Lippard, Terry Lumas, Marie McPadden, Michael Nast, Jim Saisa

A meeting of the Finance Committee of the Amity Regional Board of Education was held on Monday, December 13, 2013 at 5:30 p.m. in the cafeteria at Amity Regional High School.

1. **Call to Order:** James Stirling called the meeting to order at 5:35 p.m.
2. **Discussion and Possible Action on Minutes**
Finance Committee Meeting – October 21, 2013
Motion to approve the minutes as presented (Mr. Giglietti, 2d Mr. Grabowski).
Vote in favor: Matthew Giglietti, John Grabowski, James Stirling
Vote opposed: none
Abstain: John Grasso, Jr. *Motion passed.*
3. **Public Comment**
No members of the public addressed the Committee.
4. **Update on the 2014-2015 Budget**
In a memo dated December 5, 2013 from Mr. Nast to Members of the Amity Finance Committee and Amity Board of Education, an update on the 2014-2015 Budget was provided. Total operating expenditures in the preliminary 2014-2015 Budget are \$1,937,619 or 4.36 percent over the current budget. The member town allocations are up \$1,957,760 or 4.53 percent over the current budget. It was noted that Bethany's allocation is up \$352,247 due to a shift in student enrollment.

Mr. Nast described how the calculations were made to arrive at the current figures. Major 'non-negotiable' components of the increase were addressed and included \$665,249 in salaries; \$202,650 for paraprofessionals; \$459,610 for medical & dental Insurance/OPEB Trust; \$583,196 for special education transportation & tuition; \$61,200 for PowerSchool; \$19,492 for security; and \$60,000 for a telephone system. Mr. Nast noted that the increased cost for special education next year will involve costs at the Orange Middle School.

With a few retirements, there may be some savings if positions aren't filled, however, it is important to ensure that cuts do not affect the quality of the program at Amity. For example, we are implementing PowerSchool and this must be done correctly in order to see the benefits of the change.

Mr. Nast said that he also has concerns about after school security that he would like to address in the next budget cycle. Activities continue at the High School long past when school lets out for the day; however there is no security guard stationed there after hours. Last year, a well-dressed person entered the school after hours and it was later determined that this person could not be identified.

Another concern that needs to be addressed in the immediate future has to do with the telephone system that we currently use. The company is going out of business and we cannot afford to take a chance that our 911 service might not work. The current software will not be supported as of July 1. The administration is still attempting to determine whether they can find a company to support the software.

The budget increases over the last five years have been low (1.24 percent), and this seems to have caught up with us. If we cut too much, we will start going backwards with our program. Mr. Nast pointed out that bringing the budget down just two percent will mean reducing the budget by \$1 million.

The administration is struggling with how to offset the projected increase. Not filling vacancies may help, but we want to investigate the impact. We are looking at districts that serve similar communities, such as West Hartford, Guilford and Madison. At this point, everything is being examined closely. He is in the process of determining how many media specialists are needed.

Mr. Giglietti said that the expense involving the telephone system is clearly a need if the system can't be supported. A working 911 system is necessary. At this stage of the process, budgets seem to start high and come down. Mr. Giglietti noted that Dr. Brady mentioned that the smaller budget increases might necessitate a larger increase down the road.

Mr. Levine said that there are some possible savings through sharing personnel between the two middle schools.

It was noted that the school population in Bethany isn't increasing drastically, just that the shift is larger compared with the other two towns. Bethany continues to have the smallest budget of the three towns.

Mr. Levine noted that the self-insurance has seen claims of over \$4 million.

5. Discussion and Possible Action on Contracts of \$35,000 or More

Mr. Levine noted that due to the efforts of Technology Education Specialist Lisa Lassen and District Technology Coordinator Shaun DeRosa, Amity was awarded a grant of \$186,568. Plans are to replace every switch in the District. The switches will be compatible with the new virtually segmented network architecture as well as any future VoIP (Voice over Internet Protocol) phone system that may be deployed. The result will be an updated infrastructure utilizing full 1Gigabyte bandwidth across the entire network. We will have segmented and managed virtual networks. The system will also be designed with possible future growth in mind so we do not find ourselves in a similar situation in the future.

Mr. Levine said that online student testing will take place in March. Mr. Levine noted that the price for the work would likely exceed the amount of the grant. There is money in the budget for technology and the Contingency account can be used for any additional cost. If we wait until the January meeting to move forward with this work, it would delay everything.

Mr. Giglietti said that the problem with this is that the amount to be used from the Contingency Fund is open-ended.

Mr. Levine said that the District was quoted \$220,000 for the work, but there is no guarantee on that price. He believes there will be savings if this work is completed before the end of the year. Bids will be opened this Friday.

Mr. Nast said that the bids could be opened and the figures could be emailed to members of this Committee.

Mr. Giglietti said that the full Board will need to provide the authorization needed.

Mr. Stirling said that the open-ended amount from the Contingency Fund will not work.

Dr. McPadden noted that Amity originally applied for a grant amount of \$430,000.

The Committee modified the recommended motion to include an amount "not to exceed \$25,000," from the Contingency Fund.

Move that Michael R. Nast, Interim Superintendent of Schools, be granted the authority to award the bid of the upgrade of the District's technology infrastructure to the vendor of his choice based on the bids received. If the bid price exceeds the grant of \$186,568, the Director of Finance and Administration shall be authorized to transfer the necessary funds from the technology equipment budget and contingency account, amount not to exceed \$25,000. Further, the

Director of Finance and Administration shall report the vendor selected, total cost of the upgrade to the District's technology infrastructure and what budget transfers were necessary (Mr. Giglietti, 2d Mr. Horwitz).

Vote in favor unanimous.

Motion passed.

6. Discussion of Monthly Financial Statements

Mr. Levine noted that the administration would like to hire a temporary employee to help with technology until the end of June. Much work is needed to prepare for the online testing. Money from the current budget would be used.

Mr. Nast noted that the temporary technology consultant could help with PowerSchool also. We do not want to locate this person through the use of a firm. The administration would like to hire someone to work as a consultant. The employee would not receive benefits.

Mr. Nast said that that the administration would like to add a part-time security guard to work from 4 p.m. until 8 p.m. or 9 p.m. This would improve upon the current security situation, which he feels isn't adequate. He would like to add this extra measure of security until March, when spring sports move outside the High School building.

7. Director of Finance and Administration Approved Transfers Under \$3,000
There were no questions.

8. Discussion and Possible Action on New Funding Request

In a December 3, 2013 memo from Mr. Levine to Mr. Nast, he recommends the Board approve a budget transfer of \$12,899 for a replacement hot water heater at the Orange Middle School. The hot water heater has been ordered. The water heater developed a small leak. If the tank completely fails, we would not be supplying domestic hot water to the building. This is a sanitation issue for the kitchen and other building occupants as they would not have hot water to wash dishes, plans, or hands. Kitchens are required to provide 180 degree rinse in the dish washer machines and that could not be achieved with the lack of domestic hot water supplied to the booster heater in the kitchen.

Move to make the following budget transfer of \$12,899 to pay Tower Hill Sales Associates, Inc. for the purchase of a stainless steel tank for the Orange Middle School (Mr. Giglietti, 2d Mr. Horwitz):

<u>Account Number</u>	<u>Account Name</u>	<u>From</u>	<u>To</u>
05-15-0000-5850	Contingency Account	\$12,899	
02-14-2600-5731	Equipment – Replacement		\$12,899

Vote in favor unanimous.

Motion passed.

9. Information on Third Quarter 2013 Executive Summary Review of Amity Pension Fund, Sick and Severance Account, and OPEB Trust

Mr. Levine noted that this information is self-explanatory.

10. Presentation of Amity Audit Status Report

Mr. Levine and Mr. Nast noted that Ms. Lumas and the finance staff did a great job on the audit.

Mr. Stirling congratulated the administration for a clean audit report. The District needs to bid for an auditor. This Committee selects the auditor.

11. Adjourn

*Motion to adjourn the meeting at 6:18 p.m. (Mr. Horwitz, 2d Mr. Giglietti).
Vote in favor unanimous.*

Motion passed; meeting adjourned.

Respectfully submitted,
Marianne Lippard, recording clerk