



TOWN OF ELLINGTON

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BOARD OF FINANCE

ROBERT J. CLEMENTS
Chairman

BUDGET HEARING MARCH 22, 2016 MINUTES

DOUGLAS B. HARDING
MARK A. JOYSE
BARRY C. PINTO
JOHN P. RACHEK
MICHAEL D. VARNEY

Board of Finance

Members Present: R. Clements-Chairman, D. Harding, M. Joyse, B. Pinto, J. Rachek,
M. Varney

Others Present: S. Nicol-Supt. of Schools, D. Keune-BOE Chair, School Principals and
Administration, BOE Members and Parents, D. Crayton-Human Svcs Dir,
J. Palombizio-Emer. Mgmt. Dir, P. Welti-PBC Chair

Call to Order

Chairman Robert Clements called the hearing to order at 7:30 PM.

Board of Education Budget Presentation FY 2016-17

Board of Education Chairman, Dan Keune, addressed the Board and informed them that there have been some changes since the publication of their budget. The adjustments are reductions and will be discussed tonight. This budget is fiscally responsible and meets the desires of the district. He turned over the presentation to Superintendent Nicol.

Superintendent Nicol presented the budget. He stated that the 2016-17 Board of Education budget adopted in January 2016 has been changed due to a reduction in the health care costs that they were notified of last week. It has also been reduced for items funded through the Crystal Lake School project contingency approved by the Permanent Building Committee for full day kindergarten items and equipment and technology. The overall budget increase is 3.28%, down from 3.78% originally adopted. The total budget is \$36,199,749. Even though this budget includes two significant initiatives, there is only a small increase and is a fiscally conservative budget. This budget has three main themes; Maintenance of Effort, Full Day Kindergarten and K-6 Transition.

Maintenance of Effort increased by 1.22% which includes salaries and insurance; the full day kindergarten portion of the increase is 1.17% (salaries and insurance) and K-6 Transition of .89% increase is due to salaries, insurance and 1 additional year of transportation and busing to Windermere from outlying areas. The health care reduction is due to the Affordable Care Act fees not being implement until next year. Most of the K-6 Transition budget increases is for equity of education. The Superintendent stated that to get to a 1.22% increase adjusted down due to health insurance is a product of excellent fiscal management by the BOE and prior administration over a long period of time. All increases are essentially contractual increases in

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staffing. Copies of slides and new budget book to be given to the Finance Director. 97.7% of this year's budget increase is salaries and health and life insurance costs.

Full cost of the implementation of full day kindergarten is \$537,000. The items not in this budget are \$127,892 for equipment and technology some of which were paid for through the contingency fund balance from the Crystal Lake and Windermere School project. Grant money is being used for instructional supplies.

Mr. Joyse asked if there were any single year costs for full day kindergarten. Superintendent Nicol stated that the start-up costs are for the initial purchase of equipment and furniture. A small portion for yearly supplies will be recurring. The K-6 Transition costs should be tight after the transition is completed.

The Major Drivers for this budget increase is 3.2% from salaries. .08% of the increase includes balance of items including transportation contract, workers comp, social security, maintenance contracts, etc.

Last week the final increase was received for the Health and Life Insurance costs at 6% which is down from the original projection. The Salary increase account includes the K-6 Transition and full day kindergarten. Nine sections of Kindergarten will be necessary with 4.5 additional teachers and 18 at-will aids at 19 hrs per week which require no benefits. The positions for the K-6 Transition will be for the equity of educational opportunity and includes a Library Media Specialist from .2 to .5; a District Music position full time, and one teacher.

There are other staff requests not included in this year's budget such as a Theater Arts position, a 10 month Assistant Principal position to be shared between the middle school and high school, a network and a technology technician. These positions will be included in the 2017-18 budget year.

Decreases to Budget are as follows:

Special Education Transportation (\$58,522) – A Preschool bus was added and it reduced overtime. The BOE has also implemented programs for special education within the district so the students do not have to be bussed outside the district.

Outside Tuition (\$100,000) Magnet School Tuition

Agriculture Vo-Ag – Fewer students in the program.

Special Ed Outside Tuition – This is a fluctuating expense, the BOE is developing programs in district to keep the students from having to go outside.

Heating Fuel – Reduction due to the decision to move from oil to propane at Crystal Lake School and a budget adjustment for the High School.

Capital Outlay – This reduction is due to equipment purchases from other sources. The HS Music fund phasing is still in place.

The Superintendent told the Board that some of these decreases are anomalies and should not be expected every year.

Full Day Kindergarten expense is \$537,000 and includes salaries and benefits, but the net of \$215,000 is due to the reduction of equipment and supplies and technology being purchased from the budget and other sources. However they are expecting a reduction in children attending magnet schools due to full day kindergarten implementation. This number is not included. This fiscal year there are 16 students currently attending magnet schools for

kindergarten. There is a possible savings of an additional \$100,000 for those who would have attended a magnet school but will now stay in the district.

In summary the three main themes are Maintenance of Effort, Full Day Kindergarten and K-6 Transition. The bulk of the increase is based on two drivers; salaries and health and life insurance.

Mr. Joyse asked how much it costs to heat the high school; the Superintendent stated that he would find that information for him.

Mr. Rachek asked where they are in the hiring process for these new positions. Supt. Nicol told him that he will be reporting to the Board of Education tomorrow night and request approval to start the process. However there will be no commitments given until the budget is passed and in place. This affords the best candidates when the process is done in the spring.

Mr. Clements asked if there were any plans to run gas or water to Crystal Lake School. Mr. Keune stated that they had inquired about that early in the building project and they were told there are not any plans in the foreseeable future.

Mr. Clements stated that he appreciated their work on this budget and effort to economize while not taking away from the needs of the staff and school children. The Board will give this budget every consideration in deliberations.

The hearing was closed at 8:10 PM.

SPECIAL MEETING MINUTES

Present: Board of Finance Members, D. Crayton-Human Svs Dir, J. Palombizio-Emer. Mgmt Dir, P. Welti-Chairman Perm Bldg, Committee

Call to Order

Chairman Robert Clements called the special meeting to order at 8:13 PM. He asked that item 3 be heard first.

Discussion of Construction Project Contingency List for Crystal Lake/Windermere Schools

Mr. Rachek introduced Peter Welti as Chairman of the Permanent Building Commission and stated that the Crystal Lake School Project went well and the contingency has not been totally spent. There is quite a bit of money left; the question is what to do with the money. Some of the funds have been used to purchase some items that the Board of Education had requested. They were educational items and it made sense to fund them. It is safe to say that there is about \$500,000 left. Peter Welti is here to ask the Board's opinion on how to spend the remaining funds.

Peter Welti stated that the Permanent Building Committee is looking for direction from the Board of Finance and Board of Selectmen regarding the remaining funds. The project has gone well due to not so many surprises found in this building as other projects. Phase II should be wrapping up in April with landscaping and punch list items being done beyond that. Windermere School is to be finished this summer. His understanding is that the funds cannot be reassigned to different projects and purchases need to fit educational specs. The Permanent Building Committee felt that Full Day Kindergarten fit the educational specs and all committee members approved those items. He needs to know if the money can be spent on things that were not in the original bond and referendum scope and should the funds be spent? He is asking for direction.

Mr. Welti told the Board that there have been many ideas coming to the Permanent Building Committee from BOE, Emergency Services and other areas. The Committee has been told that on a State funded project, once you hit the 5% threshold for change orders, the reimbursement no longer applies. This threshold has been reached, so anything spent now is no longer reimbursable but there are valid items that should be done regardless. Items on the Capital Improvement list are also on the wish list. Peter Welti told the Board that the surplus was created from additional funds approved through a second referendum and through discussions by various boards, \$200,000 was added to the amount and approved, an Enfield Builders change order credit for \$175,000 for a position in the specs that was not needed; and bond costs less than anticipated.

Mr. Clements asked what some of the ideas to spend the money were. Superintendent Nicol stated that the air conditioning for the Windermere Cafeteria and the phone system are on the top of the list and are currently in the 2017-18 Capital Improvements Budget. Nick DiCorleto asked about the asbestos tiles for the Windermere School; this is a priority for him. This is not in the original capital improvement plan. Nick stated that when he first asked the Superintendent about this, he didn't want to discuss it. Superintendent Nicol stated he was open to letting the Board of Finance, Board of Selectman and Permanent building Committee make the decisions on the big ticket items and he will support them. If the people feel this item needs to be done, he will support it.

Joe Palombizio, Emergency Management Director, stated that the Town needs a shelter for the Crystal Lake area when there is a major need. He was dismayed to hear that during the 2011 winter storm Alfred, people were told to call other towns when there was nothing available in their area. He heard that the new Crystal Lake School does not have a generator that can run the building. The Crystal Lake School fits the needs for a shelter in that area. The generator is undersized and very limited. He is supporting the purchase of a larger generator for the school. Mr. DiCorleto stated that in discussions with the First Selectmen, there is a proposal to move the present generator to the Senior Center and the generator from the Senior Center to the new firehouse. A ballpark figure received is \$108,000 for powering the entire Crystal Lake School building. Mr. Palombizio feels the Town has a responsibility to its citizens to have this shelter. He is asking for this consideration.

Nick DiCorleto stated that maximizing reimbursement is not an issue, this is for the good of the town. The positive is that the items funded will not come back to the Board of Finance again for funding. He spoke with Rob Butler; he is looking into converting the generator to propane. Superintendent Nicol stated his support for the idea of a shelter in this area.

Mark Joyse asked the Finance Officer if it is legal according to bond counsel to use the money for this purpose. Mr. DiCorleto will check with Bond Counsel.

Mr. Varney stated that he thinks the items on the current list should be done first as well as things that will defer future capital requests. The generator project falls into this category because there have been generator requests for the other schools for this same purpose. The Fire Dept. was shuttling food around during the power outages because there was only generator power at one school. This would not be a waste of money. The town will use a school as a shelter so why not maximize the benefits. He agreed with the generator project and things that are already on a list.

Mr. DiCorleto felt that the Permanent Building Committee should meet with Rob Butler to go over things at Crystal Lake School and Windermere to save money. Peter Welti stated that he speaks to him weekly and Rob comes to the meetings. He stated that he would feel more at ease if Bond Counsel agreed that the items can be purchased even if they are not in the original specs.

Mr. Joyse stated that he would like to see the life span of whatever is purchased to match a 20 year payment plan. He did not feel that the full day kindergarten furniture fit. Mr. Welti stated that they felt it fit into the FF&E budget of \$1,000,000 plus.

The final outcome is that the Board of Finance will think about this and the Finance Officer will look into Bond Counsel opinion. Mr. DiCorleto will call the State on the key items that they want to do. It will ultimately be the decision of the Permanent Building Committee. Finance will find out if it can be done and the Permanent Building Committee will decide what is to be done.

Additional Appropriations

Hockanum Valley Community Council Bus \$3,383

MOVED (JOYSE) SECONDED (VARNEY) AND PASSED UNANIMOUSLY TO APPROVE AN ADDITIONAL APPROPRIATION IN THE AMOUNT OF \$3,383 FROM THE 2015-16 UNASSIGNED FUND BALANCE TO ACCOUNT 740 HOCKANUM VALLEY COMMUNITY COUNCIL (HVCC) FOR THE TOWN'S SHARE FOR THE PURCHASE OF A NEW WHEELCHAIR ACCESSIBLE VAN FOR THE HVCC DIAL-A-RIDE SERVICES.

Turf Field Study \$40,000

The Finance Officer passed out a memo he sent to the First Selectmen. The issue is that the numbers used to apply for the grant date back to 2014. They received \$1,000,000 but it didn't include all the items in the project scope. Mr. DiCorleto feels that all items need to be researched to get an accurate cost before going to the town's people for referendum. Items included are irrigation, pavilion, scoreboard, retaining wall, goal posts, drainage, soil testing, and there are other items that need to be researched before a final cost can be determined. Mr. DiCorleto feels that an engineering and cost study should be done before going to referendum. Estimates should be compliant with prevailing wage and Connecticut set aside statutes.

Mr. Varney stated that he agrees a study should be done to get the appropriate scope but this is an allowable cost under the grant. He questioned why the town is not using grant funds for this study? This engineering work should be paid out of the first \$40,000 and if need be, adjust the

project accordingly based on the budget. The scope can be adjusted to fit the cost. Mr. Clements agreed.

The Finance Officer stated that he does not want to send this to referendum to accept the grant without a true cost for the project. Mr. Clements stated that the Town has 5 yrs. to spend the money and he agreed with Mr. Varney to use the \$40,000 from the grant dollars. Mr. Joyse agreed that funds for the study should come out of grant. Mr. DiCorleto will check to see if the funds can be spent and then reimbursed back through the grant. He will come back to the Board of Finance with the findings regarding this \$40,000. He will send a letter to DEEP to see if the Town can do study prior to receipt of the funds and then get reimbursement. If the project is not approved and the study is done, the Town is out \$40,000. He felt that the Town should tell the taxpayers that we received \$1,000,000 and we will do whatever we can for that amount. Mr. DiCorleto stated that he would like to see Malone & McBroom be used for the study because they have experience with other towns that have done these fields.

Adjournment

MOVED (JOYSE) SECONDED (PINTO) AND PASSED UNANIMOUSLY TO ADJOURN THE MEETING AT 8:55 PM.

Respectfully submitted:



Lori Smith, Recording Secretary