

**New Milford Board of Education
 Operations Sub-Committee Meeting Minutes
 June 13, 2023
 Sarah Noble Intermediate School Library Media Center**

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NEW MILFORD, CT

Present:	Mrs. Wendy Faulenbach, Chair Mr. Tom O'Brien Mr. Eric Hansell Mr. Pete Helmus
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Absent:	
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Also Present:	Dr. Janet Parlato, Superintendent of Schools Mr. Jeffrey Turner, Technology Director Mr. Matthew Cunningham, Director of Facilities Mr. Anthony Giovannone, Director of Finance Ms. Terri Kavanaugh, Director of Human Resources Mrs. Laura Olson, Director of Pupil Personnel Services
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1.		Call to Order The New Milford Board of Education Operations Subcommittee was called to order at 7:30pm by Mrs. Faulenbach, Chair.	Call to Order
2.		Public Comment There was none.	Public Comment
3.	A.	Discussion and Possible Action Monthly Reports 1. Budget Position dated May 31, 2023 Mr. Giovannone stated this report is as of May 31, 2023 and on page 1 it shows a balance used of 97.14%, and last year at this time it was 95.85%. On page 1 of 4, in the transfer column, there is more activity due to year end projects, as we will need to solve for transportation and legal fees. Mr. Giovannone stated that page 4 of 4 shows the excess cost grant as of May 31st. Mr Giovannone stated he is waiting to receive the second payment, and there is a memo included to address this. The bottom left, on page 4 of 4 reflects the security grant set aside, which was approved by both the Town Council and Board of Finance. Mr. O'Brien asked about the capital reserve account. It has \$4,133,000 and the Board is taking \$50,000 of that for the central office space, leaving a roughly \$4,000,000 balance. Mrs. Faulenbach stated that was correct. The capital reserve account will	Discussion and Possible Action Monthly Reports 1. Budget Position dated May 31, 2023

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	<p>increase with the coming end of year balance, pending final audit, and approval. Mr. Hansell asked if Mr. Giovannone could explain the transfers. Mr. Giovannone stated there were certain things that had happened in Operations that did not get solved for until last month and approved in the April meeting, then posted during the month of May. It was a three pronged transportation issue: out of district placement, general education busing, and athletic transportation. There was a transfer for legal services, and ended up using more than budgeted for, causing it to dip into the negative. There was a transfer posted not only to reconcile the negative but capture what is anticipated for the fiscal year end. There were several transfers for end of year items where money was taken from salary savings.. Mr. Hansell asked if the transfers were taken from these accounts because there was excess funds in some lines. Mr. Giovannone stated yes, that they were approved last month but appear this month. Mrs. Faulenbach asked Mr. Giovannone to speak to page 2 of 4, when looking at professional services at 91%, and a \$209,000 balance.. Mr. Giovannone stated the line item was for all professional and consulting services with exception of legal and medical. Mrs. Faulenbach asked if it was just consulting in that line item. and if it is at year end, more should be spoken for. Mr. Giovannone stated yes and when you get to the end of the fiscal year, the \$209,000 will shrink to half, to \$93,000 once all billing has been received through June 30th. Mrs. Faulenbach asked regarding the electricity line item, in which there is a balance, and if it is expected to run out. Mr. Giovannone stated yes, what is listed in the electricity line item is not expected to change between now and the end of fiscal year and there was a savings in that account at the end of 2022-2023. Those operational savings for electricity are mostly tied to ESG, and if properly broken out by school, there can be some tieback. Mr. Hansell asked if there should be anticipated savings. Mr. Giovannone stated he continues to budget as if no ESG projects are going on and the difference in electricity with what is paid to Eversource and what is actually being incurred, is the operational efficiency. Mr. Giovannone stated</p>	
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	<p>he will not blindly take \$100,748 dollars and put it all to ESG. Backup is necessary. Mr. Helmus asked at the advent of the ESG program, we would encumber the savings of all these upgrades. Mr. Giovannone stated it was originally envisioned to do that, but the projects did not start on time. Mrs. Faulenbach asked how much can be expected on the line item for insurance that was laid out for fire and how that will affect the existing numbers and end of year balance. Mr. Giovannone stated no payment has been received and stated Dr. Parlato called today for an update because insurance payments need to be resolved by June 30th. Mrs. Faulenbach asked if there is confidence it will be resolved by June 30th. Mr. Giovannone and Dr. Parlato stated they are not sure. Mrs. Faulenbach asked if there is a way to memorialize with CIRMA what has been signed off on so that it can be captured by the end of fiscal year. Mr. Giovannone stated that the total amount that has been incurred on the Board of Education side, in a separate fund, is \$414,000 on goods and services and \$10,000 in overtime for facilities employees. Since then, additional items, for theater costumes and stairwell treads have been added and stated he and Dr. Parlato are pushing for CIRMA to release payment on the initial claim, despite these additional items. Mrs. Faulenbach stated that she wanted to break down the process. There is \$424,000 that has been fronted out of the operational budget. Mr. Giovannone stated the funds have been captured against an account that has zero budget. Mrs. Faulenbach asked what happens if it cannot be reconciled. Mr. Giovannone stated the amount that is short would have to be solved for. If the payment is received before June 30th, it can be processed properly, if it is after June 30th it can still be allocated against this fiscal year but would be required to do it as Period 13 Adjustment in Munis and can become an audit challenge. Mr. Helmus asked what is the last day to be able to do the Period 13 Adjustment. Mr. Giovannone stated within 30 days of June 30th. Mrs. Faulenbach stated she imagined the town is in the same situation. Mr. Giovannone stated he does not know. Mr. O'Brien asked if there is an explanation for the delay. Mr. Giovannone stated</p>	
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	<p>the additional claims have reopened the time window. Mrs. Faulenbach asked how long it takes to process the two claims of the stair treads and the theater costumes. Mr. Giovannone stated CIRMA is looking to issue one final payment, instead of separate payments so that CIRMA may open up a case against the roof contractors to get their payment. There should be an update on the costumes and stair treads before the full Board meeting. Mrs. Faulenbach knows work has been done to move the insurance claim along but hopes something will be memorialized for the full Board to capture what is happening with the insurance. It is a concern and over \$500,000 and should be documented. Mr. Helmus asked what the cost of the costumes were. Dr. Parlato stated \$80,000. Mr. Giovannone stated the claim is upwards of \$80,000 but because some of the items were donated there are no backup receipts. Some of the items were funded through student activity accounts, which includes using money from ticket proceeds and then spent for costumes. Mrs. Faulenbach asked if the claim should be dropped for the costumes if it is not likely to go through. Mr. Giovannone stated he completed everything that could be done in the files that would constitute a costume reimbursement. Mr. Helmus asked if it is not covered, it becomes a collateral cost from the fire. Mr. Giovannone stated he is not sure of the stairwell treads; he is not sure what the potential exposure is there. Mrs. Faulenbach stated it cost the taxpayers, so there is a cost. Mr. Helmus stated he had heard at Monday's Town Council meeting that the cost for recovery from the fire was roughly \$22,000,000.</p> <p>B. Purchase Resolution D-771 Mrs. Faulenbach stated it includes IT and asked if it can be completed by fiscal year. Mr. Giovannone stated yes the purchase resolutions are split out and includes a memo. There are assurances on most of them. If there are not assurances from the vendor, finance will not release the purchase order to the vendor even if the Board approves it. If goods arrive too late then the items go against the wrong year. Mr. Helmus asked if there is an option to tie back after the fiscal year has ended, same as the</p>	<p>B. Purchase Resolution D-771</p>
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	<p>insurance claim. Mr. Giovannone stated not for goods. Mr. Helmus asked if it was only in extenuating circumstances. Mr. Giovannone stated yes. Mrs. Faulenbach stated when looking at smart boards for the 5 year capital plan, is that in this year. Mr. Giovannone stated yes. Mrs. Faulenbach asked if we are on point for the capital reserve and withdrawals this year, based on last year's budget and are we where we are supposed to be based on the capital year alignment. Mr. Giovannone stated yes. Mrs. Faulenbach stated that falling behind in the capital reserve cycle causes problems.</p> <p>Mr. O'Brien asked for details in regards to the athletic buses. Mr. Giovannone stated they are for two separate vendors and are split out. Mr. Helmus stated that weather played a part in this because it pushed back sporting events.</p> <p>C. Request for Budget Transfers No Discussion.</p> <p><i>Mr. Hansell moved to approve the Operations Subcommittee monthly reports to the Board of Education, seconded by Mr. Helmus and passed unanimously.</i></p> <p>4. Items of Information</p> <p>A. End-of-Year Projects - Phase 2</p> <p>Mr. Giovannone stated the memo speaks to the Purchase Resolution just spoken about, the June 30th cut off, etc. The memo was done so there was a tie from the agenda to end of year projects and gives full transparency.</p> <p>B. Energy Program Update Mr. Giovannone stated a memo went out Friday prior to the follow up meeting with ESG. There is still no breakout from ESG of the building by building savings. There is a December 23rd payment that is due. ESG is recalibrating based on energy savings realized and changes to scopes of</p>	<p>C. Request for Budget Transfers</p> <p><i>Motion made and passed unanimously to approve the Operations Subcommittee monthly reports to the Board of Education</i></p> <p>Items of Information</p> <p>A. End-of-Year Projects - Phase 2</p> <p>B. Energy Program Update</p>
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	<p>projects. Mr. Giovannone will not bring any bill before the Board unless there is the backup to explain building by building savings. Mr. Giovannone stated he is aware that there is at least \$200,000 banked to pay towards ESG, but does not have a confirmation from the vendor of a building by building to break out. Mrs. Faulenbach stated she is concerned how this affects the budget and wants to ensure the Board does not receive a surprise bill. There have been a few calls asking for breakout. We cannot be expected to make any payment until there are final numbers for the December payment, and at that time the expectation is it would then be requested from capital reserve. One third of the payment will be the responsibility of the town, and two thirds to the Board of Education. Mrs. Faulenbach stated, so assuming when building the budget, which is done in October and November, and assuming the payout is in December, which is captured in this fiscal year, there should be a certain line item that is used and that number is not reduced based on savings. Mr. Giovannone stated yes. It is hard to estimate each month on ESG where we are in any particular month. It is as if there are no energy savings to be realized, and when they are realized, that is what is used to pay the ESG bill. Mrs. Faulenbach asked if they do not meet those numbers, then ESG does not get paid. Mr. Giovannone stated yes, ESG is on the hook. Mr. Hansell asked if we would be making transfers out of that account. Mr. Giovannone stated it would be transfers out of capital reserve. Mr. Helmus asked if in the future the energy savings lines would result in a reduced budget for the next 20 years. Mr. Giovannone stated not necessarily. Those savings are being put back into paying for panels and other items. Mr. Hansell asked what the ROI is. Mr. Giovannone does not have the answer to that. It is expected to have it all funded from the savings. Mr. Helmus stated the taxpayer might not see anything visible. Mr. Giovannone stated the taxpayer will not see cost for new boilers because the cost savings is being used to pay for it and that payment is up front and the savings are seen over time. Mr. O'Brien asked if the savings are expected to exceed the equipment cost. Mrs. Faulenbach</p>	
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	<p>stated that is unknown. Mr. Hansell stated that would be the ROI. Mrs. Faulenbach stated it is getting to the point of finding out that information, and before moving forward, it is necessary to gauge how the Board moves forward, to ensure it is in the benefit of the town. Mr. Hansell stated with ESG, it may not be about ROI but if the town does not hit a certain score, the town may not have access to funds, which is part of ESG. Mrs. Faulenbach stated that there was the possibility some of the end of year balance would need to be used to fund the project now, and there is difficulty when a bill is received and it cannot be explained.</p> <p>C. Excess Cost Update Mr. Giovannone stated as of the end of May the 2nd payment should be received in the amount of \$385,000. We are expected to receive \$361,000 more than budgeted, which will go directly against cost for out of district placed students. Mrs. Faulenbach asked how the number was determined since it is more than what is anticipated. Mr. Giovannone stated it has been already factored into the end of year projection. The number is determined and brought before the board to try to know what end of year projects should happen based on these numbers.</p> <p>D. Projected End of Year Balance Update Mr. Giovannone stated it was presented at the April meeting at about 2.7%. The revised end of year balance is 2.06%. It takes in all projects that were approved at the end of the year and what the anticipated burn rate will be on various line items. Mrs. Faulenbach asked about the end of year balance and that the Board currently holds healthy capital reserves. This is the opportunity as a Board to request where the end of year balance be designated to. For capital reserve, that request is “granted” at the end of the fiscal year, pending final audit, so it is clean and it is done once the audit is signed off on. There is a financial commitment to the turf field and this year perhaps we should put \$100,000 towards it. Mrs. Faulenbach stated she hopes the town would match the Board. Mr. Giovannone stated the second page</p>	<p>C. Excess Cost Update</p> <p>D. Projected End of Year Balance Update</p>
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	<p>of the memo shows the fiscal year end balance of the last 10 years.</p> <p>E. PURA (Public Utilities Regulatory Authority) Pegpetia Grant Mr. Turner stated it is a \$91,000 grant. It is received for AV equipment. Mr. Turner stated he went in with an offer and three things were part of the project. It is a grant that shows up every 3-4 years and is a no cost grant and no matching necessary. The first portion of the money will go towards AV projects, including an on demand system. Librarians will be able to move VCR tapes to an on demand platform, making them accessible by everyone in the school system. Another \$30,000 will go towards the high school theater. The third portion will go towards the SNIS library and creating a tv studio. This will allow the staff to invite authors for interviews, etc. Mr. Turner stated it is almost guaranteed it will be funded for the next 2-3 years, when previously it was every 3-4 years. Mrs. Faulenbach asked if it is allocated in the next fiscal year. Mr. Giovannone stated it is set up as a multi-year fund and paperwork is filed on how it has been spent.</p> <p>F. Enrollment Report - June 1, 2023 Ms. Kavanagh stated she is moving along with hiring for positions, and there are 14 open positions left to fill. Some positions are particularly hard to fill, including world languages. Math and French have been filled, Spanish is proving difficult. Ms. Kavanagh stated she has been to career fairs and is attending another. The focus will be on paraeducators. The administrators and staff have put in a lot of work into filling the positions. There is one administrator position currently open. and Mr. Kavanagh stated she is working to fill that. Mrs. Faulenbach asked when the position will be posted. Ms. Kavanaugh stated it is already posted and closes Friday. Mr. Helmus asked if there is general feedback from exit interviews. Ms. Kavanagh stated general feedback is that there are teacher shortages everywhere and the reasons are financial. It is difficult when another school district can offer \$20,000 more. Ms. Kavanagh stated there is a lot of competition out there. Mr. Helmus asked</p>	<p>E. PURA (Public Utilities Regulatory Authority) Pegpetia Grant</p> <p>F. Employment Report - May 2023</p>
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	<p>if we are competitive enough or lacking to attract talent. Ms. Kavanagh stated money is not always the reason people leave, or come, but makes it easier for people to come. Mr. Hansell asked about the cluster of teachers leaving at Schaghticoke Middle School and if that is a problem. Ms. Kavanagh stated not necessarily, a lot of it is Schaghticoke Middle School this year but next year could be a different school. Ms. Kavanagh stated she does not think it is specific to Schaghticoke Middle School. Ms. Kavanaugh stated she advertises widely, attends career fairs and has started to post on Hand Shake, targeting college students. Mr. Helmus asked Dr. Parlato if world languages are dying, and are kids just not interested or is it there just not enough teachers. Dr. Parlato stated if you call the colleges you will find they have few people going into teaching languages. Supply is a problem and in 5 years there will be more world language distance learning because the shortage is so great. Mr. Helmus asked if the Board should do something about that now. Dr. Parlato stated not at this time.</p> <p>G. Enrollment Report - June 1, 2023 No Discussion</p> <p>H. New Milford Barriers to Employment Dr Parlato stated that is connected to the Adult Education Profile, on the profile itself it breaks down the participants in the programming. A secondary aspect of that report is what is the barrier to employment in the categories that have been specified and the number of students that it pertains to. In this case it is largely English Language Learners. In the Adult Education Profile it breaks participating students down by age and demographic. Mrs. Faulenbach asked if Dr. Parlato knows how this compares to the report from last year. Dr. Parlato stated she could get it and believes it would be much the same.</p> <p>I. New Milford Program Profile No Discussion.</p> <p>J. Central Office Update Dr. Parlato stated she provided a short term plan to town council, giving Central Office a total of 10</p>	<p>G. Enrollment Report - June 1, 2023</p> <p>H. New Milford Barriers to Employment</p> <p>I. New Milford Program Profile</p> <p>J. Central Office Update</p>
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	<p>classrooms. She asked for a number not to exceed \$50,000, from capital reserves to be used towards installing a barrier between the office space and the classrooms. That money was approved and there is \$59,000 remaining from the original allocation from capital reserve in the move from East Street to Sarah Noble Intermediate School Mrs. Faulenbach stated the Board of Finance meeting is June 28th and asked about the concerns from staff about the disruption. Dr. Parlato stated she has worked with Principal Bilko on a communication plan about crafting language to the teachers who will move. It went from 50 teachers moving to 8. Principal Bilko stated there has been good feedback. Mrs. Faulenbach stated the final vote from the Council is done, the staff is aware, the board has signed off on it and the work just needs to be done. Mrs. Faulenbach stated there needs to be a very visible plan moving forward with the solution of creating a permanent home for the Central Office. Dr. Parlato stated she got an email from Mr. Healy asking how much square footage the Central Office would need if moved to Century Brass and she responded immediately. Mrs. Faulenbach stated it is helpful to move forward, and there has to be a plan for the cost and maintenance of that structure. Mr. O'Brien asked how much can the Board control and how much is it controlled by the town. Mrs. Faulenbach stated a proactive and collaborative approach is necessary. The word was permanent and Central Office has now been asked to navigate from permanent to temporary or short term. The Board has to document everything with a facilities, financial and maintenance pieces. Mr. Helmus stated that Dr. Parlato mentioned the process of moving Central Office started in 1995. Mr. O'Brien stated the only way the 3-5 year deadline can be met is to follow what Mrs. Faulenbach stated. Mrs. Faulenbach stated that after the Board meeting next week, she will propose to send a letter to the Town Council and Board of Finance and ask to be at the table for those meetings for a permanent Central Office. Mr. Helmus agreed we should be at the table. Mrs. Faulenbach stated casual conversations do not move things along the way they should be. Mr. O'Brien stated it will take a while even if it starts</p>	
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		now. Mr. Helmus stated location is important for district staff and has to be good for the district. Mrs. Faulenbach stated this needs to be pursued in a very visible and productive way, otherwise it will fall on the wayside.	
5.		Public Comment There was none.	Public Comment
6.		Adjourn <i>Mr. Helmus moved to adjourn the meeting at 8:30pm, seconded by Mrs. Faulenbach and passed unanimously.</i>	Adjourn <i>Motion made and passed unanimously to adjourn the meeting at 8:30 pm.</i>

Respectfully submitted:



Wendy Faulenbach
 Chairman, Operations Subcommittee