

TOWN COUNCIL
Town of Trumbull
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TOWN HALL
Trumbull

TELEPHONE
(203) 452-5000



FINANCE COMMITTEE
BUDGET HEARING
MINUTES
MAY 6, 2021

CALL TO ORDER: The Chair called the meeting to order at 7:05 p.m. All present joined in the Pledge of Allegiance.

Roll Call:

The clerk called the roll and recorded it as follows:

PRESENT: Kevin Shively, Chairman, Michael Miller, Vice Chairman, Ashley Gaudiano, Mary Isaac, Lori Rosasco-Schwartz, (Arrived at 7:20 p.m.), Tony Scinto and Carole Hans, Alternate

ABSENT: Donna Seidell, Alternate

ALSO

PRESENT: First Selectman Vicki A. Tesoro, Chief Administrative Officer Cynthia Katske, Town Council Chairman Dawn Cantafio, Town Council members Thomas Whitmoyer, Eric Paulson, Nicole Satin, Jason Marsh, Patricia Borghesan, Joanne Glasser-Orenstein, Joy Colon, William Mecca, BOE Chairman Lucinda Timpanelli, Superintendent of Schools Dr. Martin Semmel, BOE Business Manager Paul Hendrickson, BOE members Scott Kerr, Jackie Norcell, Marie Pettiti, Frank Squicimamo of the Tashua PTAC, Tim Gallo, Peg Brindisi, Susan Iwanicki, BOE Tech Michele Arnina

Dr. Semmel shared his screen with the committee and extended appreciation of all of the Town Council's efforts. The 2021-2022 budget is built on two (2) major pieces:

1. Rebuilding the Trumbull Public schools. Some school staff was let go going into the 2020-2021 school year. The loss of the staff has had an impact and their goal is to start to add back some of that staff, but not all in one year. This is a rebuilding year.
2. Resolving major structural issues in the BOE budget.
 - **BOE Adopted Increase** - 3.81% (\$4.157 million increase)
 - **Budget** - Built using 3-year averages. They looked very carefully at their staff, since staff is 80% of the budget. The same thing was done with insurance. Both the First Selectman and the BOF suggested a 3% increase.
 - **Difference** between the BOE budget and the BOF's recommended budget - \$886,000.

- **81%** of the budget is salaries and benefits.
- **Add in other service contracts** brings it to 91% of the requested budget. (Showing there is not a lot of wiggle room.) The pandemic has shown us that their people are the most important part of what we do.

Primary drivers of the increase:

- Benefits
- Transportation
- Staff
- Special Revenue Account.

There will be some staff increases and reductions with the budget. They looked at the enrollment numbers and made the reductions based on those, the net FTE is a \$477,000 increase.

- **501 Accounts** - Allowed to go into the negative. Building this budget, they did so in a way where they would not get further into the negative. The \$430,000 is an important number for that. The BOE has considered an increase to the inter-district pre-k tuition at their last meeting and will vote on this May 11 and expects a \$50,000 increase in revenue from that change.
- **Transportation** – Because the schools shut down in March 2020 due to COVID-19, TPS received a \$917,000 credit to the 2021 school year. This created a cliff because they have to make up the \$917,000 in the 2021-2022 budget, representing a 1-point increase of the budget.
- **Legal Battle** – TPS and other districts have been in a legal battle with Bridgeport public school. Re: Magnet school funding. Dr. Semmel and Mr. Hendrickson resolved this. They agreed with Bridgeport that they owed TPS money and TPS owed Bridgeport money, which came to a net zero. Moving forward they will have to pay the Magnet school tuition. 2021-2022 they expect to pay Bridgeport \$245,000. Bridgeport students going to the Trumbull Agri-Science program will offset it. Money from Agri-science goes to the Town not the BOE. TPS will have to pay the \$245,000 and don't see it go to them directly.
- **Budget Increase** – After factoring out the transportation cliff, magnet school and special revenue account adjustments, their budget request is closer to a 2.35% increase. The real budget is 3.81% and when you factor in other it is 2.08%
- **Surplus** – Mostly related to COVID.
 - Substitutes cost \$489,000 less
 - Health insurance \$500,000 less
 - Transportation \$991,000 less (Didn't drive to as many athletic events, summer vacation transportation and days off on Wednesdays)
 - Outplacements \$432,000 less (Worked hard in bringing those students back)
 - Unemployment costs were less.

They are expecting a \$2.5 million surplus at the end of this year, but do not expect a surplus in 2022. Strong financial management of the budget saved money as well.
- **Using the Surplus** – In priority order:
 1. Pay off the special agency accounts
 2. Pay off TD loans

The BOF supports them in opening a non-lapsing account, where 2% of the operating budget would be moved to, this is allowable by state statute. This has happened in Trumbull

before and across the state. Additional surplus money could also go into the account. The BOF said they would be effectively fully funded.

- **American Recovery Plan Grant** - \$850,000 half of what the grant would be. They have a heavy focus on literacy intervention, math interventionists at the elementary and middle schools, credit recovery at the high school and social-emotional learning opportunities. Because they are focusing on the staff is how they can quickly get to the \$850,000. Goal is over two years eliminate the learning loss gap using the grant.
- **Unknowns**
 1. Kindergarten registration may increase due to people who did not register their children this year due to COVID, this may impact class sizes & staffing.
 2. How long it will take to close the learning loss gap, it will depend on how much staff.
 3. Length of the pandemic

Dr. Semmel appreciated the communication between the BOE and the boards as they developed the budget and hopes the Council will support the 3% increase.

The Chair extended his gratitude and echoed the BOF's applause for the BOE's communication and transparency. He appreciates that the BOE feels this reciprocally, that bears well for their working together in the future.

Q&A – The following is a summary of the answers the Council had for Dr. Semmel and Mr. Hendrickson

- **TD Loans** –Confirmed they are the same loans referred to in Audit operational Review
- **Letters from Acting Education Commissioner** - The BOE is aware of the letters from Acting Education Commissioner sent to parents identifying students as above average and encouraging the student to take classes that are more rigorous. He believes the way the letter was written this year was poor because if the child were taking the most rigorous coursework they would likely still get the letter even though they can't take any harder course work. Dr. Semmel confirmed they have enough counselors for this. This letter is something other high schools send out too.
- **Grant** - The \$850,000 grant and not creating a spending cliff because the intention is to hire the staff for a couple of years and then reduce staff. The goal is to close the learning gap. The grant is two years but will allow for three years, there will be another \$850,000; they will be able to keep staff on for at least two (2) years. The Chair confirmed the grant money has already been guaranteed. Councilman Scinto voiced his concern with staff reduction and union ramifications and that the budget for the next two years is a spending cliff.
- **TD Loans Remaining Terms & Balances by Year**
 - One concludes 2021-2022
 - Another concludes 2022-2023
 - The last one concludes 2324
 - Councilman Schwartz spoke in favor of paying off the loans.

2021-2022 – Balance \$129,693 – Pay off

Loan #2

2022 – Balance \$161,473

2023 – Balance \$161,457 – Pay off

Loan #3

2022 –Balance \$208,622

2023 – Balance \$208,622

2024– Balance \$208,622

Loan Obligations – All in budget and paying off next year’s principal and interest. The total for:

2021-2022 is \$499,479

2022-2023 is \$370,078

2023-2024 is \$208,622

- **Non-lapsing Accounts** – Expecting a \$2.5 million surplus with potential of \$3.3 million, there may not be a balance for the non-lapsing accounts, however the year could end better than the \$2.5 million. They don’t want to overestimate the surplus.
- **Energy Credit:** \$217,761 – Credit will be put in the energy account currently in a deficit.
- **Lunch Account Deficit** - \$1.9 million
In March they turned a profit of \$78,883, an inflection point, they will also be funded with Summer Seamless Program, which will help them be more profitable.
- **Deficit Accounts** - The lunch account will be in a good position, but could not make guarantee. Most of the 205 accounts are expected to be in a positive or close to profitable. The problematic one is the elementary strings & band. They will propose a slight increase. The operational review said a plan needs to be in place not necessarily paid down in one year. Money will come from the surplus plus the operating budget to pay them down.
- **Net FTE Change** – The Budget covers some of the net change, it is a complicated budget. The 3% increase doesn’t cover all of the positions. If there is money to put into the non-lapsing account and pay off the loans then they will be able to make the budget work with the net FTE’s. Focus will be keeping positions in the classroom for intervention.
- **Energy Lease** – There are two (2) incentives related to the projects \$217,761 and industry loan with a 3-4 year term in the amount of \$253,000. They are choosing not to take the second.
- **Reserve for Negotiations** - \$1.3 Million – There could be a surplus, negotiations are not finished and possibly could be applied to accounts in a deficit. There is another for PPS Curriculum Writing.
- **PPS Curriculum** – \$50,000 Budget – A dumping ground for allocated salaries for which a person who is a worker in several schools. The funds that fall to the bottom line will be used to offset any potential deficits because they can’t have a negative line item at year end. If there were additional money they would use it against other items they would use the surplus for.
- **BEI** – \$3,750 stay on school or town side. The BOE did not have an answer for this.

- **Magnet School** – How many students go to magnet schools? There are different locations and would send the numbers after the meeting
- **3% Increase** – Is not enough alone to add back or add to the school system they way they would want, but the 3% with the surplus and the federal government money is the proper amount. The Chair added this is the reality presented to us. Fortunately, the situation turned out better than feared and spoke in favor of all of the transparency & communication.
- **Para Line Item** - \$800,000 Available – Paras are paid via timesheets, this is a difficult number to encumber, this is a potential source of additional funding as they get closer to the end of the year.
- **Virtual Learning** – There is the potential for old-fashioned snow days for next year and for some remote snow days. They cannot sustain chrome books for all students. No decision made to date. The cost of social & emotional support for staff is built into the \$850,000 grant. The Chair noted virtual learning is not expected and may not be an option due to the expiring Executive Orders, there may not be an option to do a remote day on a snow day.

The Chair extended his gratitude to all who participated, were present and the community who were watching the meeting.

ADJOURNMENT: There being no further business to discuss and upon motion made by Gaudiano seconded by Rosasco-Schwartz the Town Council Finance Committee adjourned by unanimous consent at 8:14 p.m.

Respectfully Submitted,

Margaret D. Mastroni
Town Council Clerk