

APPROVED
STATE OF CONNECTICUT
MUNICIPAL ACCOUNTABILITY REVIEW BOARD
SPRAGUE SUBCOMMITTEE
SPECIAL MEETING MINUTES

Thursday, March 28, 2019 10:00 AM

Sprague Town Hall, 1 Main Street, Baltic, CT

MARB Members Present: Marie Moylan (Office of the Treasurer, phone), Mark Waxenberg, Sal Luciano (phone), Commissioner Scott Jackson (phone)

MARB Staff Present: Julian Freund, Alison Fisher (phone)

Town Representatives Present: First Selectwoman Osten, Melissa Sevigny, Superintendent Erwin, , Business Manager Rachel Moser, Board of Finance Chair Ann Marie Osowski, Board of Finance member Gerry Lachance

Agenda

- I. Call to Order
- II. Approval of Minutes of March 1, 2019 Subcommittee Meeting

A motion was made and seconded to approve the minutes of the March 1, 2019 meeting. Mr. Freund noted a correction to be made to the spelling of the Superintendent's name. The motion passed with Mr. Jackson abstaining.

- III. Review and Discussion: Board of Education Recommended FY 2019/20 Budget

Superintendent Erwin provided an overview of the recommended budget for FY 2020. The budget request represents an increase of \$867,440, or 13.7%, over the current year adopted BOE budget. The major drivers of the requested budget increase include:

- Approximately \$358,797 increase in salary and benefit costs across all employee groups.
 - Embedded in the above increase is the restoration of a 3rd grade teacher and enhancements to three non-teaching positions.
- An increase of \$303,676 in tuition costs (net of anticipated grants). Of this amount, \$257,053 represents additional Special Education tuition net costs.
- An increase in transportation costs of \$59,711.
- An increase in funding for speech/audiology services of \$53,097.

In his presentation, Mr. Erwin noted that non-certified staff had not received salary increases for three years and that all employees took 2 furlough days in the current year.

Projections for the current fiscal year showing a budget overrun of approximately \$112,000 were also reviewed. The projected budget overage appears to be driven by Special Education instruction costs, speech/audiology services, physical/occupational therapy services, transportation costs, and tuition (particularly Special Education tuition). These shortfalls have not been reflected in the most recent monthly year-to-date budget report.

Members and attendees discussed the challenges of balancing the needs of the BOE within the capacity of the Town to fund education. The BOE budget represents the majority of the Town of Sprague budget, and the five year plan will need to reflect the five-year plan for funding education. Further analysis will be needed in order to determine to what extent the prior year budget overrun was the result of mismanagement and the extent of any structural deficit in the BOE budget.

Special education costs and tuition costs are of particular concern, and both are complicated by the movement of students into town and around the district. Members also discussed the feasibility or possibility of becoming designated as an Alliance school district and the resources that designation might provide. Ms. Osten indicated that the Town might not meet the threshold for a minimum number of students to be considered an Alliance district. Mr. Waxenberg encouraged the district to have the new director managing special education services to review all outplacements at both K-8th grade and high school level to validate need and appropriateness.

IV. Review and Discussion: Follow-up Information from 3/1 Subcommittee Meeting

The subcommittee reviewed materials submitted in response to information requests from the prior meeting. Among the items provided was a list of BOE invoices from the prior year that remain unpaid. A total of approximately \$500,000 in unpaid invoices remain from FY 2018. Related to this item is the Town's cash flow projection for the current year, which illustrates a cash flow challenge surfacing by the end of April. OPM has approved the early remittance of the next installment of ECS funding in order to alleviate the immediate cash flow issue. Additional items provided to the subcommittee included Budget to Actuals data for FY 2017 and FY 2018 for both the Town and BOE.

V. Adjournment

The meeting adjourned at 11:40.