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Acting Superintendent of Schools

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Bridgeport, Connecticut 06604

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Bridgeport, Connecticut

June 8, 2020

Board Members:

A meeting of the Finance Committee of the Board of Education will be held on Wednesday, June 10, 2020, at 6:30 PM via Video Conference Call. Link to view the meeting will be made available to the public through <https://www.bridgeportedu.net/stream>.

Agenda

1. Approval of Minutes – May 13, 2020
2. 2019 – 2020 Budget Update
3. 2020 – 2021 Budget Gap Plan
4. Adjourn

Bobbi Brown
Secretary
Board of Education

BBOE Finance Committee Members:

Joseph Sokolovic (Chair)

Bobbi Brown

Joseph J. Lombard

Marlene Siegel (Staff)

Wednesday, May 13, 2020

MINUTES OF THE FINANCE COMMITTEE OF THE
BRIDGEPORT BOARD OF EDUCATION, held May 13,
2020, by video and audio conference call, Bridgeport,
Connecticut.

The meeting was called to order at 6:31 p.m. Present were Chair Joseph Sokolovic and members Bobbi Brown and Joseph Lombard. Also present was board member Albert Benejan. Board members John Weldon and Sybil Allen joined the meeting subsequently as noted.

Ms. Brown moved to approve the minutes of the committee's meeting of April 15, 2020. The motion was seconded by Mr. Lombard and unanimously approved.

Marlene Siegel, chief financial officer, reported on the 2019-20 budget. She said the financial condition report for April 30th was completed and posted. She said it is projected that the district is on track to achieve a balanced budget by year end for the ninth consecutive year. She added that projections are made on the basis of current data with multiple variable and uncertainties arising from the COVID-19 situation.

Mr. Weldon joined the meeting.

The current projected surplus is \$1 million and the plan is to carry forward surplus funds by rollover in grants and temporary placement of the funds in the Internal Service Fund for withdrawal in 2020-21.

Ms. Siegel said the shortfall in food and services is now more favorable than last month due to higher than expected reimbursement rates during closure, the serving of meals on Fridays for the weekends, and the increase in the number of meals served per day. The revised shortfall is now \$880,000, down from \$1.7 million to \$2 million.

Ms. Siegel said funds have been set aside in the event that there is an increase in costs in out-of-district special education. She said currently tele-educational services are not reimbursable by Medicaid, although they are under review for potential reimbursement at the federal level, so a potential shortfall is being planned for. She said the total set aside is about \$500,000.

Mr. Weldon joined the meeting.

Ms. Siegel said FEMA-eligible expenses are being compiled in order to claim the district's share when the funds are received. She said the level of reimbursement is 75 percent, with the first round of payments not expected until the next fiscal year.

Ms. Siegel said emergency protective measures, overtime by nurses, custodial overtime, and unemployment expenses for part-time employees are eligible for reimbursement. Any shortfalls in these areas would have to be paid out of the operational budget in the current fiscal year.

Ms. Siegel said she believed the amount of retirements may increase because of the pandemic and this will increase retirement payouts.

Ms. Siegel said the total debits in these areas are projected at \$1.75 million.

Turning to credits, Ms. Siegel said there will be savings following the completion of negotiations with We Transport and a draft COVID addendum to the contract, which is pending board approval. Over \$3 million of savings are projected.

Ms. Siegel said there are other savings in transportation for services that were provided by companies without contracts.

Ms. Siegel said there are also savings for teacher subs and substitute paraprofessionals. It is also anticipated the AFSCME contract, which includes retroactive pay increases, will not be ratified during the current fiscal year.

Ms. Siegel said savings are expected for facilities overtime, athletics, security, utilities, and legal services. She added some facilities expenses have increased for basic supply services and equipment.

Ms. Siegel said projected net credits are currently \$4.8 million, with the net effect on the budget totaling \$3 million. She said the projection can always increase or decrease.

Ms. Siegel said the budget plan called for utilizing the remainder of the pre-Connecticut Partnership funds in the Internal Service Fund (ISF) to balance the budget. With a surplus in the operational budget, the plan would now be to not withdraw the \$2 million but retain that amount for use in 2020-21.

Ms. Siegel said the plan is to carry forward surplus funds of about \$1 million to the next fiscal year through a combination of methods, including rollover in grants and temporary placement of funds in the ISF.

Ms. Siegel said under the federal CARES grant the state has allocated a sub-grant to Bridgeport announced today of \$9 million, which is very good news. The \$9 million will cross three fiscal years starting in 2019-20 and cover supplemental one-time resources and is subject to specific guidelines. There is a non-public school component similar to the equitable services requirement in Title I, which could total \$250,000 to \$400,000 of the \$9 million.

Ms. Siegel said the funds will be used to fund compensatory special education services, remediation activities such as interventionists, support for English language learners, protective measures, curriculum renewal on digital platforms, and various support services intended to promote equity and access.

Ms. Siegel said expenses related to distance learning have already been incurred and will be transferred over to the CARES Act grants, which cannot be used for general operating expenses.

Ms. Allen joined the meeting.

Ms. Siegel said the district remains in deficit prevention mode.

Ms. Siegel described curriculum renewal expenditures that are underway or anticipated.

Ms. Siegel then moved to the 2020-21 budget update. She said the major events to date include the board approving the budget request of \$14.5 million as the essential monetary requirement to maintain services and fulfill mandates. The mayor included a \$2 million increase in his

budget, while the superintendent requested \$3.83 million, plus \$1.4 million to maintain transportation limits and a waiver of a \$434,000 payment for nine SROs.

Ms. Siegel said the adopted budget by the City Council contains \$2.25 million in the MBR for the board, withdrawal of billing the board for the SROs of \$434,000; and the city reallocating \$500,000 to aid the board's transportation costs.

Ms. Siegel said the total amount is \$3.2 million compared to the \$3.83 million requested. She said this leaves a shortfall in transportation of \$650,000. Eligible funds from the CARES Act will be used to compensate.

Ms. Siegel said there is no new information on state ECS because the state has not yet passed a budget. She said the expectation was an additional \$2.8 million in Alliance/ECS funds, although the governor's proposed budget had \$2.3 million.

Ms. Siegel said the growth rate in the Connecticut Partnership health insurance plan was expected to be 6.5 to 7 percent, which is lower than January's projection. The final growth rate was 5.8 percent, which is good news.

Ms Siegel said the MERS rate, the retirement fund for non-certified personnel, is up slightly.

Ms. Siegel said it is anticipated that expenditures for facilities expenses will be higher when school buildings open. She said an example of an emergency expenditure has been the rental of a generator at Tisdale School for about \$15,000 pending the HVAC system replacement with city funds.

Ms. Siegel said when the AFSCME contract is ratified funds will have to be set aside in 2020-21.

Ms Siegel said at this point the projected monetary need of \$14.5 million is remaining stable.

Ms. Siegel described how the amount of funds in grants can fluctuate from year to year.

Ms. Siegel said the major components of the budget gap plan include state and city revenue; carryover savings from the prior fiscal year; deficit prevention mode; program adjustments; summer transportation savings; and grant contributions, including the CARES Act. She said the six major components would enable the district to meet its monetary need for next year. She cautioned the state's budget is not yet approved and the allocation is not known.

Mr. Sokolovic said he knew the numbers are fluid, but he requested the board be provided with a written document to better track the figures. Ms. Siegel said all information is subject to change and she will generate the gap plan in the standard format for review by the superintendent and he will determine whether the document should be released.

Mr. Sokolovic said it looked according to current projections that balancing the budget would not require reductions in staff. He said it would be the first time in recent history that reductions did not occur.

Ms. Siegel cautioned that the current plan is based on current information and is subject to variables and uncertainties.

In response to a question, Ms. Siegel summarized there are credits of about \$4.8 million and debits of about \$1.75 million, with projected net savings of about \$3 million.

Ms. Siegel thanked Nadira Clarke and Liz Maurer for being on the call tonight and their outstanding work on the finance team.

The next agenda item was on the food and nutrition department's request for non-commodity commercial food, paper and cleaning supplies.

John Gerrity, director of food and nutrition, said the request is for bids in categories of bakery, breakfast items, condiments, fruits, juices, groceries, snack items, paper and cleaning supplies, and milk and dairy products. He said this is an annual event; the current bid expires at the end of July 2020.

Mr. Gerrity said the same language that was vetted by the city's attorney's office remains in effect.

Mr. Lombard moved *"to allow the nutrition department to go out to bid for non-commodity, commercial food, paper, and cleaning supply bids."* The motion was seconded by Ms. Brown.

Mr. Gerrity said throughout the year salespeople call on the department and show new products. The department also attend food shows to view products. The products are evaluated as a team and items are added and deleted to the bids that go out.

The motion was unanimously approved.

Ms. Allen moved to adjourn the meeting. The motion was seconded by Mr. Lombard and unanimously approved.

The meeting was adjourned at 7:40 p.m.

Respectfully submitted,

John McLeod

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