

Town of New Fairfield
4 Brush Hill Road
New Fairfield, CT 06812

AGENDA
BOARD OF FINANCE
REGULAR MEETING
WEDNESDAY, April 12, 2023
7:30 PM
VIRTUAL MEETING VIA ZOOM
Meeting Code: <https://zoom.us/j/96171602562>
Or dial in phone: (929) 205-6099

1. Call to order
2. Pledge of Allegiance
3. Appointments
4. Correspondence/Announcements
5. Public Comment
6. Approval of Minutes – March 29, 2023 regular meeting
7. Budget Transfer
8. Town Tribune Policy for Board Member Opinions
9. Discuss and possible vote - Public Comment concerning Commenter giving their name
10. Discuss and possible vote - Fiscal Year 2023/2024 Budget Planning
 - All Budget Segments including Debt Service, Medical Expense, Payroll / Non-Payroll Expenses, Capital, and Revenue
11. Public Comment
12. Future Agenda items
13. Board Member Comments
14. Adjournment

Received by email on 4/10/2023 @ 10:45 a.m.
by Tricia Quinn, Asst. Town Clerk, New Fairfield

Remote Meeting Requirements as Required by Public Act 22-3: *An Act Concerning Remote Meetings under the Freedom of Information Act*

Prepared by Justin LaFountain, AICP, CZEO, Planner II

May 24, 2022

OVERVIEW

On April 28, 2022, Governor Ned Lamont signed [Public Act No. 22-3](#), which permanently establishes the requirements for wholly or partially virtual public meetings in Connecticut. These requirements were originally established as a temporary solution during the beginning of the COVID-19 pandemic, but due to the convenience, effectiveness, and popularity of virtual meetings, **they are now in effect indefinitely**. While the rules have not changed, this paper will provide a reference sheet for what may apply to your commissions.

NOTICE REQUIREMENTS

If a **regular meeting** will be conducted remotely or hybrid remote, members of public agencies must be notified at least **48 hours** in advance. The notice also must be posted with the **Town Clerk** and posted on the **municipal website**. Instructions on how to attend and participate must be included on both the notice and the agenda. The agenda for the meeting can be posted up to 24 hours in advance, as normal. **Special meetings** only require 24 hour advance notice of the virtual aspect of the meeting, but all other above requirements

ATTENDANCE

Members of public agencies must be allowed the opportunity to **participate virtually** in public meetings. However, if that member's connection is lost or disrupted, the agency is not required to postpone the meeting.

If the meeting will be entirely virtual, members of the public can request a **public place and equipment** to access the meeting with 24 hour notice.

If a **quorum of members** is attending the meeting virtually from one location, the public must be allowed in that location.

MEETING CONDUCT

Anyone participating in the meeting virtually must make a 'good faith effort' to **state their name** each time before speaking.

Unless a **vote** is unanimous, the vote must be held by **roll call**.

If a virtual or hybrid meeting experiences **technical issues** and is either disrupted, disconnected, or becomes unworkable in the chairman's discretion, the meeting may be suspended.

- If suspended, the meeting may **resume no less than 30 minutes and no more than 2 hours** from the suspension, either in person if a quorum is present, or virtually if a quorum can re-establish connection.
- The agency should, if practicable, **post the new meeting location and time** (or conversely the postponement or adjournment) to the municipal website, or **inform participants via email**.

MEETING RECORDS

Meetings must be ***recorded or transcribed*** if the meeting is entirely virtual. Recordings must be made available on the ***municipal website*** and in ***municipal offices*** within ***7 days*** of the meeting, and available for at least ***45 days***.

Minutes of the meeting must reflect who ***attended in person*** and who ***attended virtually***, if the meeting is hybrid.

RECOMMENDATIONS

While remote meetings have been common over the past several years, there are some strategies that could be implemented if not already in place. Some recommendations are as follows:

- A staff person should be tasked with monitoring the virtual meeting for messages and comments in the chat box. This staff person should also monitor for any disruptive behavior or 'Zoom bombing.' If someone is being disruptive, they can be removed from the meeting.
- While there is no legal requirement for a contingency plan to be in place if technological issues occur, it would benefit agencies to consider developing such a plan. If developed, the agency may review the contingency plan with all participants at the start of the meeting.
- The chairman of the agency should make a habit of reviewing protocol for the virtual or hybrid meeting at the start, so that members and the public are aware of the regulations, and to help the meeting progress smoothly.
- It is a good idea to use the 'Waiting Room' function during meetings. This allows the host to permit people into the meeting individually, and ask for identification if necessary.

BOF Multi Year Budget Planning

Original Request and How We Got Here

Where We Need to Be – BOF/BOS/BOE/Taxpayers as Partners

Tools Available for Use

Holes to Consider

Changes Needed in Current Model

Aspects of Multi-Year Budget Plan

FY 23-24 Budget Proposal

What the Multi Year Budget Plan Does

Original Request & How We Got Here

- Requested Budgets = 13.2% mill rate increase
- BOS Operating = 7.2% increase budget to budget (\$195k hole from prior yr)
- BOE Operating = 6.8% increase budget to budget (ESSER staff into budget hole)
- BOE Capital = 165% increase (hole from prior yr)
- BOS Capital = -\$353K (create hole for next yr)
- Medical = 33% increase (hole from last yr & increased claims)
- Debt = 84% increase (4th tranche of school debt & hole from premium last yr)



Where We Need to Be – the BOF, BOS, BOE, and Taxpayers As Partners in the Process

- ▶ BOF to figure out how to do multi-year planning for budgets, not creating holes one year at a time. Accept responsibility for the risk taken on the medical insurance fund last year that didn't pan out.
- ▶ BOE to figure out how to slowly wean itself off the additional positions added with the ESSER grant as Covid needs of students are slowly met
- ▶ BOS to figure out how to stop adding head count to town staffing
- ▶ Taxpayers to figure out that approving construction of two new schools at a cost of \$80 million in debt service has tax consequences and that requests for additional services from both the BOE and BOS have tax consequences, for example SROs, in-town dispatch, more library and senior center programming, string program, freshman sports, etc. BOF does not have a magic wand to eliminate tax increases for voter-approved projects.
- ▶ All partners to figure out how to find the best democratic compromise between what most members of the community want and can afford and what the least among us can afford.

Tools Available for Use

- ASI (town consultant) Lowered Medical Estimate = \$470k
- Total Bond Premium Available = \$3.043M (per T. Friedman)
- 22-23 Known Revenue Surplus = \$970k (per O. Melnikov)
- BOE Self- Proposed Cut = \$360k (per BOE presentation 03/28/23)
- BOS Self-Proposed Cut = \$100k (per BOS presentation 03/28/23)
- 23-24 Possible Additional Revenue = \$250k (Revenue always underbudgeted)



Holes to Consider

- ▶ BOS need for Cap & Non in FY 24-25 and beyond (requested 0 for next yr)
- ▶ Make up for \$170K cut from NFVFD capital plan over next three years
- ▶ Use future surplus without creating a budget hole like this year (\$195,500)
- ▶ Need to re-create medical insurance reserve to \$2M (?) over next 2-5 yrs.
- ▶ Use of bond premium to smooth tax increase without creating future holes
- ▶ Need to replenish \$300K to OPEB funding over next 3 yrs.



Changes Needed in Existing Model

(All these changes have been made on the model I propose that accompanies this presentation.)

- ▶ Change the projected yr to yr increases in operating and medical from 3.5% to 4% per yr for operating and 8% per yr for medical – at least until inflation abates and medical reserves are rebuilt.
- ▶ Update the C&NR requests for future years to what was actually requested this year, add \$57k per yr to town C&NR for next 3 yrs for NFVFD cuts (as proposed by the BOS), and deduct the \$425k annual C&NR revenue from town future requests.
- ▶ Previously asked the BOE to smooth out its C&NR requests over the next 10 yrs and get back to us.
- ▶ Add \$150K per yr for 2 yrs starting in FY 24-25 to Medical to pay back OPEB. After that use only OPEB funding as recommended by actuaries until OPEB 100% funded. (As recommended by Town Treasurer.)



Aspects of BOF Multi-Year Budget Plan

- ▶ **The BOF will impose a very heavy burden of proof upon either the BOS or BOE for any future request that:**
 - ▶ Requests new bonding to be paid for from property taxes before FY 2031-32
 - ▶ Increases net headcount in either the BOS or BOE operating budgets over the next 5 years
 - ▶ Increases operating budgets greater than 4% in the next 5 years.
 - ▶ Increases C&NR requests above what has already been presented in the 5-year capital plans to the BOF this FY or in future budgets if updates are necessary.
 - ▶ Asks for a mid-year additional appropriation. All requests except emergencies should be presented at budget time and only at budget time if at all possible.
 - ▶ Proposes to use any possible surplus for other than maintaining a 16.7% of expenditures general fund balance, a medical reserve of at least \$2M, and/or for funding items in C&NR already in the plan.



FY 23-24 Budget Proposal

- ▶ Appropriate in current FY \$970k from known excess revenue to medical fund, \$500k of which to be used to offset next year's increase in the medical fund and \$470k to be used to start to rebuild the medical reserve fund.
- ▶ Use ASI's revised medical contribution recommendation for FY 23-24, less \$500k (from above). $\$7.108\text{M} - \$500\text{k} = \$6.608\text{M}$
- ▶ Use the self-proposed cuts from the operating budgets of the BOE (\$360k) and the BOS (\$100).
- ▶ Use \$1.5M in bond premium in FY 23-24 and \$1.543M in FY 24-25 to help smooth out the tax increase. All premiums would then be used.
- ▶ Add \$250k to estimated non-tax revenue for FY 23-24.(always under budgeted)
- ▶ Make an additional cut to the BOE operating budget of \$225k and to the BOS operating budget of \$75k to bring the projected mil rate increase below 7% for next year. (Total BOE cut = \$585k. Total BOS cut = \$175k)

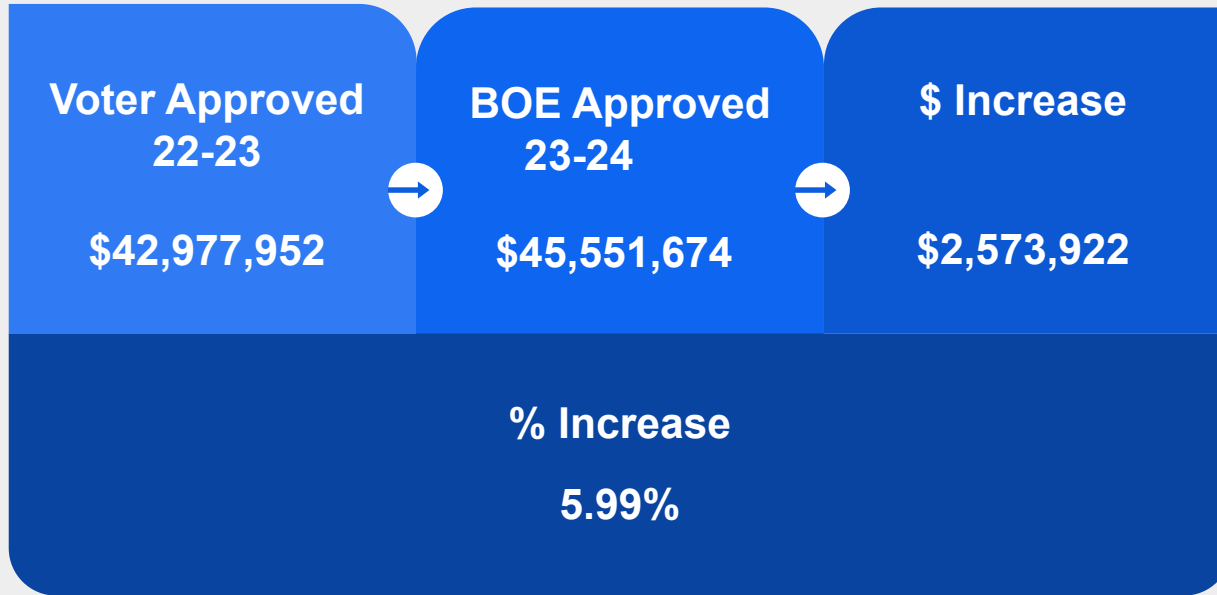
What Does This Plan Do?

- ▶ **Lowers projected tax increase from 13.2% to 6.94%**
- ▶ **Uses all available tools for mitigating budget increase** without creating new holes for next year.
- ▶ **Compromises cuts to operating** - greater than those cuts offered but less than those proposed by some that would seriously compromise town and school services.
- ▶ **Fills all holes in the existing budget model** over then next 3 years – capital, premium, OPEB, medical reserves, NFVFD cuts, etc. while smoothing out the tax increases.
- ▶ Plan is **forward looking**. Doesn't try to change previous decisions but proposes corrections to the process going forward.
- ▶ **More realistic tax planning** to cover the cost of two new schools, the programs/services residents want and voted for and to take care of existing infrastructure than what we have done the last 3 years with tax increases of 1%, 2.95%, and 3.13%.
- ▶ Puts the **BOE and BOS on notice** of the BOF's expectations in terms of future increases, use of surplus, how we will handle capital requests, mid-year requests, etc. It does NOT say no to any of those items, but it does set the bar high for the BOS or BOE to make a case for approval to the BOF.
- ▶ **Transparency to taxpayers of the full cost** of building new schools, maintaining programs and staffing, caring for existing infrastructure, etc. over the next 10 years. **Tax increase for next year also estimated at 6.9%.**
- ▶ Requires the **BOF, BOS, BOE and the taxpayers to all work together** to meet the expectations of the model or suffer the consequences in terms of even higher taxes or extensive cuts in programs and services.
- ▶ **Incentivizes BOE and BOS** to seek cost savings and additional revenue wherever possible to help improve their planned position in future years.
- ▶ Very important to remember that despite our current difficulties, the **financial position of this town is still very strong**, rated AAA by the bonding agencies. We are totally able to correct the course if we all work together to do so.

Board of Education Meeting

2023-24 Budget Facts
April 6, 2023

FY 24 BOE Operating Budget



Question # 1 - Budget Factors

QUESTION: Why is the 2023-24 budget year an anomaly?

FACT: There is a confluence of factors contributing to the increase.

- Annual Debt Payments for the Building Projects are at the highest next year.
- Actual Medical Claims were considerably higher than budgeted projections.
- Federal Relief Funding has been exhausted & Inflation is at an all-time high.
- Pandemic Recovery is driving the Operating Budget increases.

REALITY: Over the last 7 years, the average BOE Operating increase of 1.74% per year has been lower than the average mill rate change of 2.17% per year and the average social security COLA of 3.23% per year.

Question # 2 - Staffing

QUESTION: How have staffing levels changed over the past 5 years?

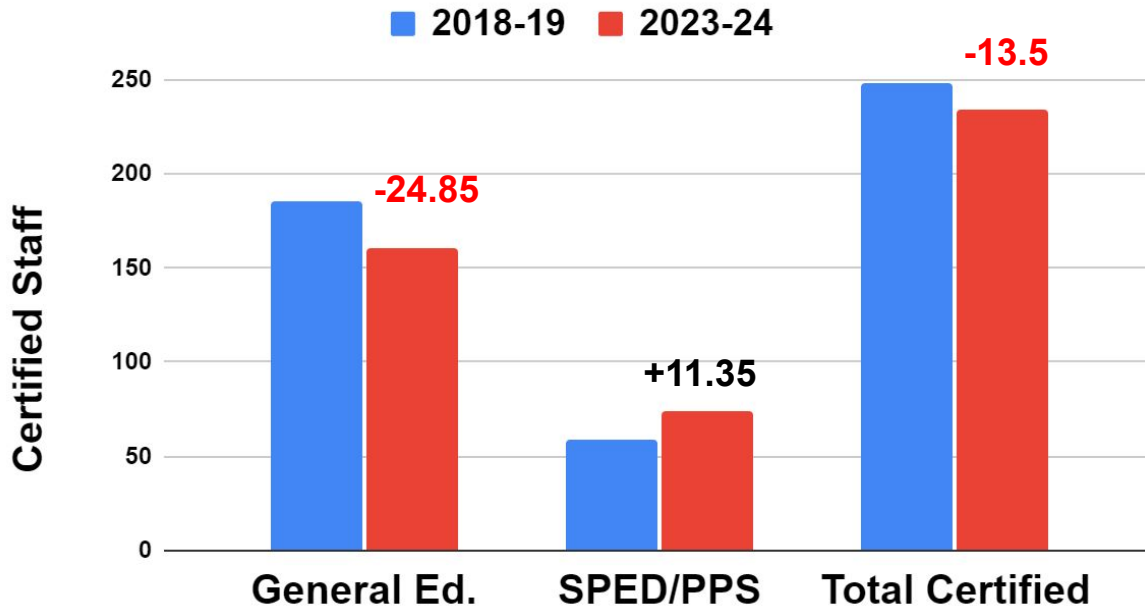
FACT: Over the last 5 years, the District has REDUCED certified staff by 13.5 positions while enrollment remained stable.

5-Year Change	2018-19 Pre-pandemic	2023-24 Post-pandemic	Change
Enrollment	2171	2098	-73
Total Certified Staff	248.85	235.35	-13.5

REALITY: Several requested positions were not included in the 2023-24 Budget. Cutting additional positions will have a significant impact on children.

Certified Staffing Trend

Certified Staffing Levels Comparison



- General Education staffing has decreased by **24.85** FTE.
- SPED/PPS/Intervention staffing has increased by **11.35** FTE due to pandemic related needs.
- Overall, staffing has decreased by **13.5** FTE.

Please see link to [Staffing Analysis](#).

Question # 3 - Administration

QUESTION: How has our administrative staffing changed?

FACT: Over the past 5 years, the number of administrators has been reduced.

- **The number of administrators was reduced from 20 to 18.**
- **An Elementary Supervisor (SPED) position was eliminated.**
- **The Director of Humanities and Director of STEM positions were consolidated into one Director of Curriculum role.**

REALITY: We are appropriately staffed with building-level and central office administrators.

Question # 4 - Effects of the Pandemic

QUESTION: In light of the pandemic, what is the impact of cutting additional positions at this time?

FACT: It has been a little over one year since we stopped requiring masks in schools. However, the effects of the pandemic are still being felt...

- Mental Health needs are on the rise.
- Academic recovery continues.
- Special Education identification rates are increasing.

REALITY: The staffing plan is appropriate to meet the Academic & Mental Health needs as a result of the pandemic..

K-12 Special Education		
Year	2021-22	Current
K-12 Total	326	368
YTY Change	+12	+42
PreK # Identified	35	56
Outplacements	16	17
NFPS ID Rate	15.8%	18.02%
State ID Rate	16.3%	TBD

Question # 5 - Budget Decision Timing

QUESTION: How does the timing of a budget decision affect the District?

FACT: We do not have a decision regarding the Budget at this time. A decision is needed for:

- **Transparency** - Parents and staff deserve to know. It is essential for staff who might be losing employment to be notified as soon as possible.
- **Staff Recruitment** - Other districts are hiring top candidates now. New Fairfield's hiring for vacant positions is on hold.
- **Staff Retention** - Staff are asking administrators for letters of recommendation; they are worried about having a job next year.

REALITY: It is critical that a decision is made as soon as possible in order for the District to plan accordingly.

Question # 6 - Federal Relief Funding

QUESTION: How have we utilized the Federal Relief Funding?

FACT: The District responsibly used Federal Relief Funding to respond to the emerging needs of our students as a result of the pandemic.

- Last year, \$1.6 million was used to reduce the FY 23 budget request in the areas of salaries, curriculum, instruction, and technology.
- This is the reason for the appearance of an increase in the curriculum and technology cost centers in FY 24.
- In FY 23, \$887,072 of the \$1.6 M was used to defray the cost of salaries.

REALITY: The remaining \$390,000 of funding has been applied to defray the FY 24 Budget and must be expended.

Question # 7 - Tuition for Students of Staff

QUESTION: What is the actual cost of the [BOE Policy 5118.111](#) that allows students of staff members to attend NFPS on a tuition basis? (currently 16 students)

FACT: There is minimal cost to the district for non-resident students of staff.

- Non-resident staff are responsible for “any extra costs beyond the regular school program that are directly attributable to their children.”
- There are no savings to the district by eliminating this benefit. Staffing levels would remain the same.
- Any new staff hired pay a prorated tuition rate to bring their children.

REALITY: There is no savings to the District by eliminating this benefit, but there are significant benefits for recruiting and retaining staff.

Students of Staff Breakdown

By Grade Level for 2023-24

Cons/MHHS	
Grade	# Students
2	2
4	2

MS/HS	
Grade	# Students
6	5
7	1
8	1
10	2
11	1
12	2

Question # 8 - Staffing Reductions

Question: How will staffing reductions be made?

FACT: For every \$500,000 reduction in the education budget, there will be a corresponding reduction of 6 certified and 2 non-certified staff members.

- **We are using a figure of \$75,000, on average, per certified educator and twice that for an administrator.**
- **By contract, staff reductions are made by seniority.**
- **In general, cuts would affect those with the fewest years of service and lowest salaries.**

REALITY: Staffing reductions will set New Fairfield back for many years to come.

Staffing Reduction Scenarios

\$500 k	\$1 M	\$1.5 M	\$2 M	2.5 M
6 certified	12 certified	18 certified	24 certified	30 certified
2 non-cert	4 non-cert	6 non-cert	8 non-cert	10 non-cert

Reductions will come from all groups.

- **Certified** - Teachers, Administrators, Coaches, Interventionists, Counselors
- **Non-certified** - Paraprofessionals, Secretaries, Technology, & Facilities Staff

Question # 9 - Impact of 0% Funding

QUESTION: What is the impact of 0% Funding?

FACT: In next year's dollars, a 0% percent budget will not cover the same costs as we have now.

- **Current rate of inflation is over 6%.**
- **There are negotiated contractual increases for bargaining units that account for a portion of the increase.**
- **Fixed costs have increased significantly (transportation, SPED, utilities).**
- **We lack the level of Federal Relief Funding that we had in the past.**
- **A 0% budget would result in cutting 30 certified and 10 non-certified staff.**

REALITY: A reduction at this level is tantamount to educational malpractice.

Impact of Budget Reductions

Major Impacts of Budget Reduction (Grows with the size of the reduction)

Eliminate administrator(s)

Increase in Elementary Class Size

Reduce or Eliminate Programs (e.g. Gifted, Strings)

Reduce HS Course Offerings & Increase Class Size

Reduce or Eliminate Co-Curricular Offerings (Athletics, Arts)

Reduce Services for Students (Interventionists, Counseling Staff)

Reduce or Eliminate Middle School Team Model & Increase Class Size

Reduce Instructional Improvement Supports & Curriculum Development (Instructional Coaches)

Question # 10 - Reduction Strategies

QUESTION: How can the 13.15% increase be reduced without significantly impacting the Operating Budget?

FACT: The 13.15% increase can be reduced responsibly by:

- **DEBT** - Using \$1,750,000 in existing bond premium.
- **MEDICAL** - Using \$480,000 in updates to claims and contributions.
- **REVENUE** - Using \$500,000 in projected interest income & revenues.

REALITY: This approach reduces the budget increase to 7.98%.

(See next slide for Budget Reduction Scenario)

Budget Reduction Scenario

This scenario is an example of an approach to reduce the 13.15% increase to 7.98%.

Projected Budget Increase (Debt, Medical, Operating Budgets)			13.15%
	<u>Reduction Strategy</u>	<u>Revenue</u>	
Debt Service (Apply Available Bond Premium)	-1,750,000		10.01%
Medical (Update to Claims and Contributions)	-480,000		9.15%
Projected Interest Income/Revenues		500,000	8.22%
Minimal Operating Budget Reductions	-139,000		7.98%

Certified Staffing Levels: 5-Year Look

Category	2018-2019	2023-2024	Change
Enrollment	2171	2098	73 (avg. 5.6/grade)
Total Certified	247.85	234.35	-13.5
Administration	19	16	-3.0
Coaches	6	6	-
			(-3.0)
Elementary Classroom	48	42	-6.0
Middle School Core *	24	24	-
High School Core *	36	32.6	-3.4
* Core - Eng, Math, Science, Social Studies			(-9.4)
Library Media	4	2	-2.0
Physical Education & Health	12	9	-3.0
Art	5.6	4	-1.6
Music	9.4	7.75	-1.65
Technology Education & STEAM	6	5	-1.0
Family & Consumer Science	3	3.1	+0.1
Business	2	1	-1.0
World Language	10.5	8.2	-2.3
			(-12.45)
English Language Learners	0	1	+1.0
Gifted & Enrichment	1	2	+1.0
Interventionists	8.45	11	+2.55
Special Education Teachers	22+4	27+4	+5.0
Counselors	7.8	7	-0.8
Psychologists	4.4	5	+0.6
Social Workers	3.7	4	+0.3
Speech & Language Pathologists	5	6	+1.0
Occupational & Physical Therapists	4	3.7	-0.3
Behavioral Specialists	2	3	+1.0
			(+11.35)

