

## MEMORANDUM

TO: Town Council  
 FROM: David E. Cox, Town Manager  
 DATE: May 20, 2020  
 SUBJECT: Questions for Town Manager and/or Finance Director

The following are responses generated by Finance Director Jeff Jylkka and Town Manager David Cox to questions from Council Member Markham and Council Chair Brown.

1. Have you performed an evaluation of the current budget to determine expected status of accounts for the fiscal year ending June 30? Could you please provide that analysis? [The evaluation was done as part of initial budget discussions with staff and will be performed regularly as the end of the year approaches. The most recent is attached.](#)
2. The Mil Rate calculation in the proposed budget was based on a Grand List of \$1,157,829.579. Has there been any adjustments since that number was determined or is there any anticipated change by the time the Mil Rate is scheduled to be set in June? [After the Board of Assessment Appeals met, the current revised grand list is \\$1,157,009,633.](#)
3. Would you provide an analysis of General Fund Balance for the last 4 years as well as the expectation for the current fiscal year showing beginning balance, operating surplus or deficiencies, other transfers or appropriations? Would you also show the annual expenditures and the percentage of Fund Balance to Expenditures?

Fiscal Year	Net income/(Loss)	Fund Balance	% of FB to Budgeted Exp.	Final Budget	Final Expenditures
2014	\$ (1,303)	\$ 4,872,509	12.4%	\$ 39,237,975	\$ 39,961,694
2015	\$ 191,891	\$ 5,064,400	12.6%	\$ 40,285,926	\$ 40,486,975
2016	\$ (105,005)	\$ 4,959,395	12.0%	\$ 41,353,510	\$ 41,094,657
2017	\$ 304,074	\$ 5,263,469	12.3%	\$ 42,951,604	\$ 42,671,804
2018	\$ 172,155	\$ 5,435,624	12.1%	\$ 44,830,719	\$ 44,647,065
2019	\$ 277,720	\$ 5,713,344	12.5%	\$ 45,536,960	\$ 45,361,581
2020 (Estimate)	\$ 648,967	\$ 6,362,311	13.7%	\$ 46,423,662	

4. Did one-time purchases such as the Ladder Truck come from the General Fund Balance or from Capital Reserve Fund, or was it a transfer from General Fund Balance to Capital Reserve Fund? What other purchases were funded in this manner during the past 5 years? [The ladder truck was purchased out of the Capital Reserve Fund and most of the funding for the ladder truck came from the debt sinking account in that fund. The General Fund is the primary funding source for the Capital Reserve Fund in that most of the expenses in the Capital Reserve Fund annually are covered by a transfer from the General Fund to the Capital Reserve Fund. Below are other similar purchases that were approved after the budget was adopted.](#)

	Original				
Fiscal Year	Budgeted Capital Contribution	Changes to Capital from GF	Final GF Budget Transfer	Comment	
2014	\$ 811,384	\$ 653,000	\$ 1,464,384	PW Loader (\$142K), Fire Tanker (\$251K), Historical society water (\$60K) & H.S. lights (\$200K)	
2015	\$ 906,169	\$ -	\$ 906,169		
2016	\$ 1,134,672	\$ 319,746	\$ 1,454,418	Glastonbury dispatch(\$250K), 2 Bevin Blvd.(\$56K), Trackless accessories (\$13.746K)	
2017	\$ 685,549	\$ 85,000	\$ 770,549	DiDomizio land	
2018	\$ 778,000	\$ 570,000	\$ 1,348,000	Library Roof (\$223K) & Public Works (\$347K)	
2019	\$ 952,206	\$ (140,000)	\$ 812,206	Transferred to BOE	
2020	\$ 832,500	\$ 24,255	\$ 856,755	Library ceiling tile	

Note: 2 Bevin Blvd. was not purchased. Funds were returned to the general fund.

5. Could you explain the use of current anticipated surplus in the Board of Education for the purchase of Chromebooks? What needs would then remain in the Capital Budget for Education technology? During discussion of the revised budget, an estimation was made that there would be a minimum of \$100,000 available in the 2020 BOE budget that could be directed to making some of the capital purchases planned in the recommended Capital Reserve Budget. The budget was reduced from the \$354,021 amount previously approved by the Capital Committee to the \$254,021 but no specificity as to what items were moved was given by me. The BOF further reduced this figure by \$120,000 with specific reference to Switches and Wireless Access Points. The BOF budget specifically referenced funding teacher computers and the content filter. The current amount of proposed funding in capital for BOE technology is \$134,021. Below is the BOE's original technology request (the strikeouts were removed prior to the first draft). In the long run, it likely makes sense for the BOE to purchase Chromebooks and smaller routine technology through its operating budget rather than the Capital budget.

Project	Technology Items	Quantity	Cost	Total Cost	Total Cost
A	Center/Memorial Teacher Laptops w/ Chromecast(Replacing 2012 Desktops)	100	\$875.00	\$87,500	\$87,500
B	Chromebooks for 7th - 2026(148)	148	\$250.00	\$37,000	\$37,000
C	K-5 Chromebooks – Dell 3120(273+105), HP G3(115) and Lenovo N21(24)	541	\$250.00	\$135,250	\$0
G	K-5 Chromebooks – Replacing HP G1(EOL 10/18) and G2 (EOL 6/19)	210	\$250.00	\$52,500	\$0
D	iBoss Content Filter/Reporter	2		\$25,000	\$25,000
E	Chromebooks for 6th - Class of 2027(134)	138	\$250.00	\$34,500	\$34,500
F	Chromebooks for 9th - Class of 2024(161)	161	\$250.00	\$40,250	\$40,250
G	Switches at Middle, Center, Memorial, BoE(MS22p & MS42p)	11		\$47,615	\$47,615
G	Wireless APs(MR16s) at Memorial, Middle and Center	92	\$893.00	\$82,156	\$82,156
		Total for 2020-2021		\$541,771	\$354,021

6. What would the expected funding for computer technology be in fiscal 2021-2022? Out of the Capital Reserve Fund, the BOE would have \$134,021 and the Police Department would have \$25,556 based on the Board of Finance proposed capital budget. Additionally, there are funds in the general IT budget for computer replacement (\$6,000) and in the Library budget for six computers (\$6,280).
7. A significant number of man hours were incurred by the Building Official and Fire Marshall inspecting the construction at the new Town Hall in the past year. Based on some of the analysis provided and educated calculation 20% to 25% of their time were incurred there. Since that is no longer a duty or requirement, it would seem reasonable that those hours are now available for normal duties. Other than emergency situations or vacation or sick time, why would we need to add personnel to either department? I believe the estimate of 20% to 25% is high, especially for the Building Inspector. Based on the material from the Fire Marshal, he spent about 3 hours per week on average involved in the Town

Hall project, which would equate to about 16% of that position's official hours. However, in most weeks, the hours dedicated to the Town Hall were served in excess of the 19 weekly hours assigned to the position. Once the Town Hall activity ends, the position still is not performing a high enough number of inspections. The hours added to the Fire Marshal Office are for clerical assistance that would be used to offset the need for the Fire Marshal to do scheduling and coordination, and report preparation work leaving more time for inspection. Additionally, because the Fire Marshal's Office is at the Town Hall in the Building/Land Use suite, the person in this clerical position would be providing assistance to all customers and services in that area. With regard to the Building Official, as noted, I believe the estimate is high. While there certainly were times during heavy inspection periods where significant time was spent, I do not believe he spent 7 hours weekly throughout the project on the Town Hall. I will confirm this with him. Nevertheless, funds have been included in the budget to allow the community to engage assistance to cover surges in activity as well as the training and leave time involved in the position so that plan review, permit issuance and inspection may continue during such absences.

8. Could you do some research on budgets in some of our surrounding towns? It has been reported that Marlborough, Colchester, Hebron and Middletown anticipate enacting budgets for the 2020-2021 fiscal year with a zero Mill Rate increase. I understand for prior discussion that Middletown was using fund balance (which may have been as high as 23% of annual expenditures) as a one-time revenue source. Could you possibly find out how the other towns are able to do this? We are researching this and will provide information as it is known. Based on review of their public budget documents, we are seeing significant reductions in self insurance budgets for Middletown, which is, essentially, a gamble on a good experience year. In the case of Colchester, we are seeing cuts to certain employee benefit programs but we have not learned details yet.
9. Please provide recent historic information on changes made to the Board of Education Budget and unexpended funds at year end.

<b>Board of Education Budget</b>					
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Original Request</b>	\$ 31,575,693	\$ 31,169,668	\$ 31,747,971	\$ 29,336,181	\$ 29,222,785
<b>Town Manager Changes</b>	\$ -	\$ -	\$ -	\$ (559,396)	\$ -
<b>Board of Finance Changes</b>	\$ (399,500)	\$ (530,000)	\$ (1,700,000)	\$ 615,000	\$ (200,000)
<b>Town Council Changes</b>				\$ (333,500)	\$ (246,000)
<b>Approved Budget</b>	<b>\$ 31,176,193</b>	<b>\$ 30,639,668</b>	<b>\$ 30,047,971</b>	<b>\$ 29,058,285</b>	<b>\$ 28,776,785</b>
<b>Unexpended funds at year-end</b>	In process	\$ 1,500	\$ 1,571	\$ 2,057	\$ 19,057

## Town Council

### Budget Workshop – May 21, 2020

#### Questions for Board of Education / Superintendent

#### Questions from **Dean Markham**

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1. Using the Board of Finance budget, could you prepare a chart or Excel spreadsheet showing the expected class size by grade K through 12. For comparison, would you show the class size in current fiscal year 2019-2020?

Enrollment	2019-20 Actual Enrollment May 1, 2020	2020-21 Projections (NESDEC) November 2019
Pre K	68	65
K	127	114
1	112	125
2	147	110
3	143	143
4	158	144
5	136	155
6	147	137
7	158	146
8	159	159
9	120	141
10	130	118
11	125	136
12	117	126
Learning Center	3	5
Special Education Outplacements	7	7
Vocational – Agriculture	5	4
Post Grad	6	6
(Outside Magnet PK-12)	49	49
<b>Total</b>	<b>1,917</b>	<b>1,890</b>

Please note that our own figures fluctuate during the course of the year. October 1 enrollment was 1,902. Enrollment projections from NESDEC are completed in November based on our October enrollment. NESDEC will update enrollment projections based on fluctuations, but we choose not to pay for this service.

2. We will have had by the end of June one third of the school year with students learning from their homes. This being said, we would assume there are significant operational costs that will not be incurred. Would you provide a detailed analysis of expected savings? This anticipated surplus can then be discussed relative to needs and the 2020-2021 budget.

It's important to note that all of our employees are being paid and we are requiring them to work from home. The Board of Education developed a memorandum of understanding with the teachers' union to determine the hours of work and the requirements for work. All paraeducators and interventionists are involved in tutoring students via Google Meet or are involved in a series of professional development programming, which requires weekly readings and weekly written responses. Secretaries are working in offices on a reduced schedule and at home. Our custodians are involved in building projects and cafeteria workers are working to provide meals for 7 days (breakfasts and lunches) to over 300 students each week.

We anticipate savings in the following areas:

- **Busing** - The DATTCO contract for busing may be our biggest savings. We have negotiated with the

company, as has most districts, to only pay our own drivers and workers that support East Hampton. We are paying salaries only for the home/school runs. There is no payment required for what would have been contracted after school athletic events and field trips. All drivers were taken off unemployment. If any one of our drivers chose employment elsewhere, that salary is deducted from our payment. The savings is anticipated to be approximately 20% of the contract for days out. This figure is consistent among DATTCO school districts. (~\$100,000)

- **Fuel** - We anticipate savings for buses and vans. (~\$25,000)
- **Substitutes** - We will see savings in substitute teachers. Our long term subs are still being paid as required by the CARES Act; however, our short-term day-to-day sub usage will result in a savings. (~\$75,000)
- **Overtime** - Custodian overtime account will provide us with a savings. The very active spring schedule of end-of-year night and weekend events that have been canceled results in overtime savings. (~\$25,000)
- **Stipends** - We will see savings in our Spring Sports Stipends as our MOU with the Union allowed us to forgo any payments for activities that had not begun as of March 13. (~\$62,000)

Countering savings will be **unemployment costs** as a result of the coaches of Spring Sports, short term substitutes, and others who have filed for unemployment, which will be a cost this year and into the next fiscal year. Total exposure for unemployment will be around \$85,000.

3. If an evaluation of cost savings has been made, was it the intent of the Board of Education to return them as surplus to the General Fund or to spend them prior to June 30? How do you plan on using these funds (see #11 as well)? Would any of those funds spent reduce 2020-2021 operating costs?

As of now, we have determined an approximate figure of \$200,000 in unexpended funds. The highest priority is to offset the reduction in \$100,000 the technology line in the Capital Plan for next year as recommended by the Town Manager. In his budget document on page iv, the Town Manager proposed *“a reduction in the 2021 expenses related to the Technology needs of the schools by bringing that expense forward into fiscal year 2020 utilizing unexpended funds from this year.”*

**In order to ensure that we have sufficient Chromebooks for 1-to-1 usage in Grades 6-12 and sufficient Chromebooks on carts for classrooms K-5, the school district will be utilizing up to \$100,000 in unexpended funds from the current school year to purchase Chromebooks for our students.**

The Board of Education will work with the Town Council and utilize the remaining \$100,000 to purchase items for next year, thus reducing the burden on the 2020-21 Budget.

The following items could be purchased for next year prior to June 30 to reduce the 2020-21 operating costs:

Building	Item	Cost
Memorial School	Grade 2 & 3 “Foundations” Spelling and Phonics	\$26,000
*Memorial School	Grades K-1 “Raz Kids” online guided reading	\$2,800
*Memorial & Center (Grades K-5)	Grades K-5 Reflex Math	\$6,000
* Memorial, Center, Middle (Grades 1-8)	I-Ready Instructional Seats	\$33,000
Center School	Grades 3-5 “Just Words” Literacy Intervention Tool	\$1,100
Center School	Grades 4 & 5 Spelling Connections	\$6,700
*Memorial, Center, Middle, & High School (Grades 2-12)	“Newsela” Instructional software Online data base for multiple subject areas	\$16,000
High School	VEX Robotics Platform for Robotics Course and Club	\$9,500
High School	AP Biology Textbook	\$4,500
High School	AP U.S. History Textbook	\$4,000
<b>Total</b>		<b>\$109,600</b>

\* Classroom tools, but also serve as essential purchases for additional Distance Learning, should it be necessary.

Any additional funds should be used to purchase Chromebooks as we will likely find ourselves in a situation where we do not reopen immediately or we have students attending every other day to ensure social distancing expectations that could be in place as a requirement for reopening schools. (See question #6 below.)

4. What kind of planning and fiscal oversight is occurring to control costs while buildings are essentially vacant?

Currently, the High School represents 48.7% of the school electricity usage. Historically, for the last couple of years the High School figure has been 43% of our usage. In comparison to May of 2019, the High School decline in usage is 8.1% and the average decline of the other 3 buildings is 22.1%.

It was suggested to me at one point to reduce outdoor lighting at the High School; however, we do have activity at the school with people using the track and any light reduction renders our security cameras less effective. However, we are planning to scale back lighting at the High School to reduce hours of operation; lighting time clocks will be set back. We are also bringing in State Wide Electric to repair defective motion sensors that we have discovered. Please note that LED lighting does not drive the usage dollars. We are also changing set points on HVAC to raise temperatures, which we did last year as well. (Note that HVAC represents 43-49% of electricity usage at the High School.) We may see a savings based on the fact that the building won't be occupied and we will not waste energy with the doors open from activities. AC usage will be lower at the other schools, but will be run at higher temps. to minimize humidity issues.

5. The State is receiving \$111 million in new Federal funds under the stimulus bills. Will East Hampton receive any of these stimulus dollars and if so, how much?? Does this go to the General Operating Budget as part of ECS grants or elsewhere or into another account like Special Education? How is it being used?

The State of Connecticut is awarding funding to individual towns from the Federal Government stimulus based on a percentage of Title I funding that each district receives. Title I funding is used to provides financial assistance to local educational agencies for children from low-income families to help ensure that all children meet challenging state academic standards. Based on factors that include East Hampton's wealth ranking in the state, students on free or reduced lunch, etc., our Title I funds are approximately \$60,000. Of that \$111 million, East Hampton will receive only **\$42,490**. We have not determined how funding will be used; however, guidelines for the use of the funds has been released. My initial thought is that we would address priority #3 listed below.

*The federal funding will complement state resources intended to sustain local school districts' capacity and their efforts to provide equitable access to high quality opportunities for continuity of education for all students. The State Department of Education has provided all districts with **guidance around four statewide priorities**:*

1. *Ensuring that all students have access to appropriate technology and connectivity;*
2. *Access to high quality curriculum that addresses the needs of all learners including students with disabilities;*
3. *Addressing student learning gaps and safely reopening schools; and*
4. *Social and emotional supports for educators and students as they transition back to school.*

*Districts may use funds for any activity authorized under the major federal grant categories including the Elementary and Secondary Education Act, the Individuals with Disabilities Education Act, the Adult Education and Family Literacy Act, the Carl D. Perkins Career and Technical Education Act, or the McKinney-Vento Homeless Education Assistance Act.*



*Under ESSERF, types of eligible activities include:*

- *Planning for and coordination between schools and families during long-term closures;*
  - *Purchasing educational and assistive technology (e.g. hardware, software, and connectivity);*
  - *Providing mental health services and supports; and*
  - *Planning and implementing activities related to summer learning, supplemental after-school programs and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care.*
6. There has been talk in the community by several parents that if schools reopen in the Fall, what is or must be done of separation? At this point it is not being discussed publicly – what are your thoughts? Concerning separation needs or requirements, what would you do to accomplish this within the adopted budget? Split classes? Double Sessions? Other?

This is a great question and one that we will be dealing with throughout the summer as the state begins its re-opening phases and the transmission rate falls or rises over the summer as a result or through the natural course of the virus.

In a conversation with Russ Melmed (Chatham Health) as well as regular communications from the State Department of Education, there is no decision as of this writing on the status of schools for the fall. I am able to confirm that our summer school/extended school year for special education students will be conducted through distance learning, even though the state has given guidelines for in-school programming. The guidelines are restrictive and costly to implement, but our main concern is the safety of children and teachers/staff. We are also concerned with staff participation should we try an in-person program for the summer. I am also committed to as little use of the schools over the summer to ensure that we are ready to open in the fall. Theater programs sponsored by YPPCA have agreed not to utilize our buildings (Middle School and High School). I am hoping for very well prepared facilities that meet all expectations for the fall.

I am under the assumption currently that all planning for circumstances dealing with the virus and schooling will occur within the budget that is determined by the Town Council in June. With that said, if there are distancing requirements that speak to a certain number of students on buses or in classrooms, we would be forced to consider a total shift in scheduling. Reducing the size of classes is impossible considering space and cost of adding teachers. Daily split sessions do not allow for appropriate clean time between sessions and the required double bus run for the day under this scenario boosts drivers to full time and could cost as much as \$500,000 if we were forced into this model for the year. Our only alternative would be a split A-B schedule with half of the students in on MWF and the other half of TR (reversing the next week) or students on MW or TR and alternate Fridays. Under this model, students would have one day in and one day out. Please keep in mind that none of this has been shared and is far from definitive at this point. All of us realize that parents need to go back to work and their ability to resume full employment is likely contingent upon schools reopening; however, it is cost prohibitive to think we could run twice as many buses and hire extra teachers to keep all students in school full time with strict social distancing guidelines that we anticipate from the state.

7. If you are going to suggest additional funding, how many other towns and Boards of Education are having these discussions? How many have been provided such funding?

There are constant conversations over the additional costs and scenarios. It is difficult to plan because the state is on the verge of Phase I of re-opening and it is unsure how that will impact the spread of the virus. **We have not been given any timeline on when we will be given re-opening requirements/guidelines.** I have not heard of towns that are jumping the gun and planning for more teachers, more buses, or more funding. The only strong rumor is that if the re-opening does not proceed as hoped and there are spikes in the level of the virus, we could begin the year with distance learning.

8. How many study halls can a teacher be assigned in any one day? With the current proposed Board of Finance budget, provide an analysis of number of study halls by class / grade with comparison to the 2019-2020 year (prior to school closure)?

The Middle School operates this current school year on a 7-period day. Teachers teach 5 classes, have 1 duty period (study hall), and 1 prep period. Last year, the school was on an 8-period day, but with the elimination of Grade 6 World Language, the study hall time would have been even more excessive than it was. The typical student takes four classes (Language Arts, Social Studies, Science, and Math), which meet every day. The other slots are filled with World Language, PE, Art, Music, and Computers which met 2-3 times per week with study halls filling the gaps. This current year, with the loss of World Language, students would have been in at least 6 study halls per week for Grade 6 students. Therefore, the schedule was reduced to 7 periods and this minimized the Study Hall time, but there are students with study halls 2, 4, or 5 times per week (see below).

With the addition of a World Language teacher for the Middle School, we will be able to offer a World Language Introduction in both French and Spanish to Grade 6 students 2 times per week and Grade 7 & 8 would have French or Spanish 5 days per week – a much better scenario. I do not believe that any middle school should have study hall time – and this addition could reduce the number of study halls to 2 per week.

Figures are as follows:

**2019-2020 operating with 2 World Language Teachers and 3 PE Teachers**

6<sup>th</sup> grade; 4 study halls per week with no World Language class, and 3 PE classes  
7<sup>th</sup> grade; 5 study halls per week with 2 World Language classes, and 2 PE classes  
8<sup>th</sup> grade; 2 study halls per week with 5 World Language classes, and 2 PE classes

**2020-2021 operating with 3 WL teachers and 2.6 PE Teachers – reduction in PE to cover new state requirements at the High School**

6<sup>th</sup> grade; 2 study halls per week, 2 World Language classes, and 2 PE classes  
7<sup>th</sup> grade; 2 study halls per week, 5 World Language classes, and 2 PE classes  
8<sup>th</sup> grade; 2 study halls per week, 5 World Language classes, and 2 PE classes

9. Information in the Superintendent / Board of Education budget talked about number of teachers. Could you provide an understandable explanation of number of teachers funded with a comparison to the 2019-2020 year by class?

In the 2020-21 Budget the Superintendent proposed in January, the addition of two teachers was included that would be funded based on anticipated and known retirements. With four teachers retiring at top step, the district can hire replacements for those four teachers plus hire an additional 2 teachers – at the same cost from the previous year.

In February, the Board of Education decided to restore four additional teachers as part of the 2020-21 request that had been eliminated in previous years. The Board reconsidered that move in April at the request of the Town Council and reduced the number to three. The Board of Finance in April, reduced the Board of Education budget by \$76,000 (the anticipated cost of a teacher including salary and benefits). This will result in cutting back one teacher from the request.

The total of new requests now equals four: Two from the Superintendent based on retirement savings and two from the Board's initial request of four. These new requests include a Memorial classroom teacher (K or 2)\*, Center classroom teacher (Grade 4), Middle School Grade 6 World Language, and High School Math Teacher.

\* There are factors that will determine whether it is a K or Grade 2 teacher based on student needs in the classroom.



<i>Teachers by functional area</i>	<i>Total 2017-18</i>	<i>2018-19 School Start</i>	<i>2018-19 January 2019 after \$140,000</i>	<i>2019-20 December Actual</i>	<i>2020-21 Board of Education 4/6/2020</i>	<i>Change from 17-18 to current year 2020</i>	<i>Change from 17-18 to BOE 2021</i>
K	7	6	6	6	7	-1	0
1	7	7	8	6	6	-1	-1
2	7	7	7	7	5	0	-2
3	6	7	7	7	6	1	0
4	7	6	6	6	7	-1	0
5	7	6	6	6	6	-1	-1
Language Arts/Reading	17	15	16	15	14	-2	-3
Math	11	10	10	10	11	-1	0
Science	11	10	10	10	10	-1	-1
Social Studies/History	10	10	10	10	10	0	0
Foreign Language	7	6	6	6	7	-1	0
Library Media	3	2	2	2	2	-1	-1
Computer Tech	1	1	1	1	1	0	0
Tech Ed	2	2	2	2	2	0	0
Music	5.8	5.8	5.8	6	6	0.2	0.2
Art	5	5	5	5	5	0	0
Physical Education	7	7	7	7	7	0	0
Health	1	1	1	1	1	0	0
Business	1	1	1	1	1	0	0
Consumer Science	1	1	1	1	1	0	0
Guidance	5	5	5	5	5	0	0
Speech Language	5	5	5	5	5	0	0
Pre-K	3	3	3	3	3	0	0
Special Education	21.1	20.4	21.4	21.4	26	0.3	4.9
Social Worker	3	3	3	3	3	0	0
Psychologist	4	4	5	5	5	1	1
<b>TOTAL</b>	<b>164.9</b>	<b>156.2</b>	<b>160.2</b>	<b>157.4</b>	<b>162</b>	<b>-7.5</b>	<b>-2.9</b>
<b>CHANGE</b>	<b>FROM 17-18</b>	<b>-8.7</b>	<b>-4.7</b>	<b>-7.5</b>	<b>-2.9</b>		

The chart above shows an addition of 4.6 teachers requested. The .6 addition reflects the retirement of a part-time Special Education Teacher (.4 FTE) and the addition of a 1.0 FTE **tuition funded** Special Education Teacher in addition to the four previously explained above.

10. Could you explain the use of current anticipated surplus for the purchase of Chromebooks or teacher laptops? What needs would then remain in the Capital Budget for technology? What would the anticipated budget requirements for computer technology be in 2021-2022?

As indicated in question #3, with the cut in technology from Capital in the current year and the elimination of Chromebooks in Grade 6 and sufficient Chromebooks on carts for classrooms K-5, the school district will be utilizing up to \$100,000 in unexpended funds for the current school year to purchase Chromebooks for our students.

The request for Technology in Capital was \$354,000, approved by the Capital Committee. Reductions were made by the Town Manager and the Board of Finance. The items to be purchased are listed below.

Technology (Capital)		Total
Request		\$354,000
Reduction by Town Manager	* \$100,000	\$254,000
Reduction by Board of Finance	\$120,000	\$134,000
Network Filter	\$25,000	
Memorial & Center Teacher Laptops	\$87,500	
Chromebooks	\$11,750	
Wireless Access Points	** \$9,750	

\* The Town Manager reduced the request by \$100,000 indicating that the surplus anticipated as a result of COVID 19 be used to purchase Chromebooks.

\*\* These funds are matched by Federal universal service funding (ERATE): \$19,500 in Wireless Access Points.

#### Questions from **Derek Johnson**

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1. Are there any savings to be realized from the current "Education" budget that can flow into the proposed fiscal 2020-2021 budget arising from the State mandated "shutter in" orders? Why/Why Not? How much?

See questions #2 and #3 above.

2. Has there been any material/significant changes in the last fiscal year – or prior changes that have ratcheted impact into the current fiscal year -- in the State's mandates, imposed legal obligations and/or reimbursements that have significantly impacted the "Education's" responsibilities/ obligations or are anticipated to significantly impact "Education's" responsibilities/ obligations in the coming fiscal year?

The State's new High School graduation requirements has had and will have an impact on our programming at the High School.

	<b>Graduation Requirements for the Classes Graduating from 2004-2022</b>	<b>Graduation Requirements for the Classes Graduating in 2023</b>
Total Number of Credits	Complete a minimum of 20 credits  East Hampton Class of 2020 – 22 credits East Hampton Classes of 2021 & 22 – 25 credits	Complete a minimum of 25 credits  East Hampton Classes of 2023 – 27 credits
Specific Credit Requirements	Including not fewer than: <ul style="list-style-type: none"> <li>• 4 in English</li> <li>• 3 in Social studies, including at least a ½ credit course in civics and American Government</li> <li>• 3 in mathematics</li> <li>• not fewer than 2 in science</li> <li>• not fewer than 1 in physical education</li> <li>• not fewer than 1 in the arts or vocational education</li> </ul>	Including not fewer than: <ul style="list-style-type: none"> <li>• 9 credits in the <b>humanities</b>, including civics and the arts;</li> <li>• 9 credits in <b>STEM: science, technology, engineering and mathematics</b>;</li> <li>• 1 credit in physical education and wellness;</li> <li>• one credit in health and safety education;</li> <li>• 1 credit in world languages</li> <li>• 1 credit mastery-based diploma assessment</li> </ul>

The State Department of Education is encouraging a pathway approach for students that give more freedom in selecting courses of study that are most beneficial to students' futures thus focusing more on humanities and STEM as broad categories and not specific courses. While East Hampton High School meets these new requirements for the Class of 2023 (currently in Grade 9), the requirements are more course specific and do not offer as much flexibility due to staffing. The spirit of the new requirements to allow a rich experience for students has not yet been able to be fully implemented with the loss of 1 math teacher, 1 science teacher, .4 World Language teacher, and .4 PE/Health Teacher over the last two years at the High School.

One of the newest areas of exploration strongly encouraged by the state to meet the needs of all students is the Manufacturing Pipeline, a new manufacturing partnership that we have joined with RHAM. The program is designed for students to be able to graduate from high school and go directly into a career in manufacturing. We have adjusted our Technology Courses to include Engineering I and II (both requirements for the program). Seniors will have the opportunity to spend part of the day at RHAM in the Manufacturing Internship Course. We are paying tuition for our students to participate. Since we were accepted into the program after the budget was developed, the administrators' union has agreed to furlough days for 2020-21 to pay the cost of tuition.

One of the town's concerns has been the reduction in Education Cost Share funding to the town. While the formula was in place for years with equal adjustments to all towns, there is a new formula that was adopted that does not favor East Hampton. This new formula takes into consideration the median income of citizens in the town, the number of English Learners in the town (new to formula), number of students living in poverty, number of students receiving free or reduced lunches. These factors have resulted in a loss of funding to the town.

3. For last five years (through the proposed 2020-2021 budget), the average teacher pupil ratio per year average across Memorial, Center, Middle and High Schools.

Grade	2016-17 Sections	June 1 Enrollment
K	7	142 students – 20.3 in each section
1	7	156 students – 22.3 in each section
2	7	133 students – 19.0 in each section
3	6	154 students – 25.6 in each section
4	7	167 students – 23.8 in each section
5	7	162 students – 23.2 in each section

Grade	2017-18 Sections	June 1 Enrollment
K	7	141 students – 20.2 in each section
1	7	148 students – 21.2 in each section
2	7	156 students – 22.3 in each section
3	6	133 students – 22.3 in each section
4	7	149 students – 21.3 in each section
5	7	169 students – 24.2 in each section

Grade	2018-19 Sections	June 1 Enrollment
K	6	117 students – 19.5 in each section
1	7	148 students – 21.2 in each section
2	7	143 students – 20.4 in each section
3	7	156 students – 22.3 in each section
4	6	132 students – 22.0 in each section
5	6	143 students – 23.4 in each section

Grade	2019-20 Sections	May 1 Enrollment
K	6	127 students – 21.2 in each section
1	6	112 students – 18.7 in each section
2	7	147 students – 21.0 in each section
3	7	143 students – 20.4 in each section
4	6	158 students – 26.3 in each section
5	6	136 students – 22.7 in each section

Grade	2020-21 Sections	Projected enrollment in November	Anticipated enrollment based on current
K	6	114 students – 19.0 in each section	120 students
1	6	125 students – 20.8 in each section	127 students
2	6*	110 students – 18.3 in each section	112 students
3	6	143 students – 23.8 in each section	147 students
4	7	144 students – 20.6 in each section	144 students
5	6	155 students – 25.8 in each section	158 students

It's more difficult to average the Middle School and High School class sizes due to the fact that the sections are based on a number of factors, particularly at the high school. As described earlier the High School has seen the loss of 1 math teacher, 1 science teacher, .4 World Language teacher, and .4 PE/Health Teacher over the last two years. Question #9 above does refer to the number of teachers in each subject area.

4. Net number of teacher positions hired/reduced in the last five years. (By year, school and academic discipline)

See Question # 9 above.

5. Net change (decrease/increase), if any, over last five years in the average study hall time per student by year and school (Middle and High School).

See Question # 8 above. It is difficult to compare for more than two years out as both schools have adjusted schedules and the number of periods offered per day. The Middle School has reduced the number of periods in the last year to 7 to cut down on study halls. The High School has recently increased to 8 periods to allow for more electives and opportunities for students. I would need additional time to do an analysis of the high school as we have increased the number of periods and credit requirements for students.

6. Probably the most influential study/experiment on class size is the so called Tennessee Study (or Project STAR) which was based on the performance of about 11,000 K-3 students assigned to small, medium and large classes. The study found that average reading and math scores were inversely correlated with class size (smaller classes led to significantly greater reading and math achievement levels) that carried over to increased probabilities of seeking post-secondary education.) There is literature that places a great role on teacher quality (which I am aware), but are there other empirical/experimental studies that draw different conclusions? (You can just list them and I will take a look.)

I am not familiar with research that shows that larger class sizes offer any advantage. There was a movement in high schools to build larger, more comprehensive high schools to offer students more opportunities; however, recent research is showing that small schools and small class sizes offer more social/emotional support of students and academic gains.

## MEMORANDUM

TO: Town Council

FROM: David E. Cox, Town Manager

DATE: May 20, 2020

SUBJECT: Questions for Town Manager and/or Finance Director

The following are responses generated by Finance Director Jeff Jylkka and Town Manager David Cox to questions from Council Member Johnson.

1. For the last 15 years (I believe it is important to “go back” prior to 2007-2008 to see “what EH did” during, through and immediately after the recession) through proposed 2020-2021 budget:
  - a. Total Town Budget, Town School Budget, Annual Rate of Increase, Annual Real Rate of Increase (I have inflation data if you want; you can easily pull from BLS/Fed and other sources); Estimated Town Population; Estimated Student Population.
  - b. As part of analysis, how much, if any, of general fund to stabilize/smooth out mill rate increases?

<b>2005-2020</b>	<b>BOE</b>	<b>Town</b>
<b>15 Year Real Budget Increase (Inflation Adjusted)</b>	<b>21.4%</b>	<b>17.6%</b>
<b>15 Year Nominal Budget Increase</b>	<b>60.0%</b>	<b>55.0%</b>

Fund balance was used in 2005 (\$100,000) and 2007 (\$210,559)

2. Status of the State of Connecticut’s efforts to utilize the Fed’s Municipality Borrowing Window?

No additional information. There is currently no statutory means by which a municipality can access the Fed’s MLF.

3. With respect to each bond offering having a maturity date after 2020, which, if any, have yields in excess of the current market yield for a similar bond (rating, maturity) issued today. To the extent any such debt exists, can it be swapped out to a net (after costs) benefit to the town. Or another way to state the question: does the current term structure of interest rates for municipal debt afford the town any “economic opportunities.” (Again, my apologies, I am just not that familiar with the municipal bond market. Obviously, in the corporate debt market arena companies can/do swap out higher cost debt for lower cost debt.) I am just not familiar with the legal/institutional barriers, if any, impacting the municipal debt markets.

The Town’s financial advisor (FA) monitors the muni market and will inform us of any opportunity to achieve economic savings by way of a debt refunding. Debt refunded prior to the call date must be issued on a taxable basis and reduces overall savings. Fees associated with the refunding (attorney, advisory and rating report) must also be factored into the decision. I have asked our FA to go through our outstanding issues one more time to see if there are any opportunities to save money.



4. Total P and I payments for New Town Hall for 2021 and 2022 fiscal years: specify assumption regarding the debt due 9/2020.

Currently, there is \$11,500,000 of debt issued for the new Town Hall. Total P&I payments (net of premium) are as follows: FY 2021 (\$665,337) FY 2022 (\$723,693). The balance of the debt to be issued in September 2020 is \$7,481,000. Interest rate is assumed to be 2.5%. The first interest payment will be netted against bond premiums in FY 2021 so there will be no planned budget impact. The first principal payment will occur in FY 2022 and is estimated at \$560,000 including interest.

5. Are there any savings to be realized from the current Town budget that can flow into the proposed fiscal 2020-2021 budget arising from the State mandated “shutter in” orders? Why/Why Not? How much?

We have not identified specific cost savings relating to the “shutter in” orders but have reviewed individual department and have identified several departments that will have surplus funds that can be used to help offset some FY 2021 costs. That information was provided in the packet of responses for the May 21 meeting.

6. General Explanation of Town Manager cuts to proposed Senior Center, Park and Recreation Department and Town Library.

The Town Manager cuts to the Senior Center budget eliminated a request for a full time employee to replace the two part time employees and the introduction of a new part time position devoted to senior activities. The proposed budget instead focused on the priorities of transportation and nutrition/socialization associated with the meals program. In the Park and Recreation Department, reductions were made to proposed increases related to field maintenance as well as proposed additions of staff. While it was possible that the new staff would be offset by program revenue costs, the Town had just added a new position that was being funded by program revenue and I determined to see how that position performed before taking that step again. Lastly, the original proposal for the Library called for a full time Adult Services Librarian. This position was removed from the budget some time ago and calls for this position have come from the recent strategic planning efforts at the Library. Prior to the April budget revisions, the proposed budget provided funds to hire this position in mid-year. That would have allowed time for the Library Director and the community to complete the strategic planning process and create definitive plans for implementation before hiring the new employee. The April revision postponed that new position until the next fiscal year.

7. Gross Expenditures saved should salaries/”pay” under municipal/education public union contracts be (i) frozen at 0% ; (ii) 1% increase and (iii) ½ of stated contract increase for one fiscal year.

Step increases are estimated at \$25,854

General Wage Increases are estimated at \$86,786. This amount represents approximately a 2% wage increase. (1/2 = \$43,393)

The Supervisors Union as well as the Police union contracts expire on June 30, 2020.

TOWN OF EAST HAMPTON  
GENERAL FUND REVENUES  
AS OF MAY 18, 2020  
**FY 2019-2020**

Agenda Item: 9A

5/18/2020

	Original Estimate	Adjustments	Revised Estimate	Unaudited Actual YTD Revenue	Balance	% Collected	Projected Variance	Comment
40 Property taxes	38,429,678	-	38,429,678	38,208,176	221,502	99.42%	-	
41 Investment income	52,500	-	52,500	91,681	(39,181)	174.63%	40,000	Money market rates increased
42 License,permit& fees	458,920	-	458,920	460,057	(1,137)	100.25%	15,000	Town Clerk (\$7.5K) / Building Dept. (\$7.5K)
44 STATE & LOCAL GRANTS	7,391,814	-	7,391,814	7,548,624	(156,810)	102.12%	174,810	ECS grant \$181K higher than estimated
47 Other revenue	66,495	-	66,495	68,687	(2,192)	103.30%	25,000	Sale of old equipment
49 Other Fin. Sources	-	24,255	24,255	113,823	(89,568)	0.00%	89,568	Return of unspent funds for the Library roof project
Use of Fund Balance	-	-	-	-	-	-	-	
<b>TOTAL GENERAL FUND</b>	<b>46,399,407</b>	<b>24,255</b>	<b>46,423,662</b>	<b>46,491,048</b>	<b>(67,386)</b>	<b>100.15%</b>	<b>344,378</b>	

Forecasted variance 344,378

Estimated revenues \$ 46,768,040

TOWN OF EAST HAMPTON  
GENERAL FUND EXPENDITURES  
As of May 18, 2020  
FY 2019-2020

Agenda Item: 9B  
5/18/2020

ACCOUNT DESCRIPTION	Original Budget	Transfers	Revised Budget	TOTAL	Available	Projected Variance	% USED	Comment
01010000 Town Manager's Depart	362,079	0	362,079	281,147	80,932	-	77.6%	
01020000 Town Council/Special	25,168	0	25,168	37,244	-12,076	(15,000)	148.0%	Consultant to review water system proposals
01040000 LEGAL	127,000	0	127,000	50,696	76,304	50,000	39.9%	Reduction in attorney utilization
01050000 Town Hall/Annex	120,468	0	120,468	165,245	-44,777	(55,000)	137.2%	Budgeted for 6mos. at current location
01050130 New Town Hall/Police Dept.	141,249	0	141,249	41,306	99,943	50,000	29.2%	Budgeted for 6mos. at new Town Hall
01060135 Finance and Accounting	471,323	0	471,323	412,359	58,964	-	87.5%	
01060136 Collector of Revenue	165,498	0	165,498	130,816	34,682	-	79.0%	
01060137 Assessor	186,973	0	186,973	156,875	30,098	2,500	83.9%	
01070000 Town Clerk	173,104	0	173,104	151,035	22,069	-	87.3%	
01080000 Registrars/Elections	43,682	0	43,682	25,492	18,190	2,000	58.4%	
01090000 General Insurance	394,250	30,000	424,250	346,350	77,900	75,000	81.6%	Workers Comp audit refund (\$21,906) & rate decrease \$15K
01100000 Probate Court	17,000	0	17,000	16,732	268		98.4%	
01110000 Employee Benefits	1,932,708	-30,000	1,902,708	1,645,728	256,980	60,000	86.5%	Health insurance lower than forecasted
01120000 Contingency	20,000	0	20,000	0	20,000	20,000	0.0%	
01150000 Information Technology	120,159	0	120,159	111,035	9,124	-	92.4%	
01190000 CNG Community Contrib	100,000	0	100,000	100,000	0	-	100.0%	Last payment in 2022
01210211 Police Administration	332,941	0	332,941	288,046	44,895	-	86.5%	
01210212 Regular Patrol	1,617,711	0	1,617,711	1,353,887	263,824	40,000	83.7%	Office vacancy & overtime
01210213 Lake Patrol	1,723	0	1,723	98	1,625	-	5.7%	
01210214 Animal Control	48,950	0	48,950	48,400	550	-	98.9%	
01220221 Firefighting	261,953	0	261,953	167,791	94,162	-	64.1%	
01220223 FIRE MARSHAL	51,886	0	51,886	52,519	-633	-	101.2%	
01220225 Town Center Fire System	8,050	0	8,050	2,441	5,609	-	30.3%	
01230000 Ambulance	15,000	0	15,000	6,465	8,535	-	43.1%	
01240000 Emergency Management	5,100	0	5,100	2,817	2,283	-	55.2%	
01250000 Public Safety Dispatch	239,775	0	239,775	144,194	95,581	20,000	60.1%	Estimate based on last years 4th qtr. Payment.
01260000 Street Lighting	57,500	0	57,500	39,021	18,479	4,000	67.9%	Most streetlights converted to LED
01310000 Chatham Health District	152,877	0	152,877	152,877	0	-	100.0%	
01320000 Human Services	112,153	0	112,153	79,882	32,271	6,000	71.2%	Director's position vacant for part of the year
01330000 Senior Center	124,023	0	124,023	96,981	27,042	10,000	78.2%	Reduction in part-time and programs
01340000 Transportation	53,500	0	53,500	47,850	5,650	-	89.4%	
01350000 Community Services	5,725	0	5,725	5,460	265	265	95.4%	
01360000 CEMETERY CARE	5,000	0	5,000	0	5,000	-	0.0%	
01370000 Commission on Aging	1,200	0	1,200	30	1,170	500	2.5%	
01410000 Building, Planning & Zoning	355,156	0	355,156	314,645	40,511	-	88.6%	
01420000 Econ. Development Comm.	5,302	0	5,302	1,154	4,148	-	21.8%	
01430000 Conservation & Lake Comm.	40,277	0	40,277	17,051	23,226	-	42.3%	
01460000 Redevelopment Agency	1,480	0	1,480	908	572	-	61.4%	
01470000 Middle Haddam Historic Dist.	800	0	800	282	518	-	35.2%	
01510000 Public Works Admin.	1,420,278	0	1,420,278	1,147,033	273,245	40,000	80.8%	Less overtime due to fewer storms
01520000 Engineering	50,000	0	50,000	41,864	8,136	-	83.7%	
01530000 Town Garage	67,863	0	67,863	34,622	33,241	5,000	51.0%	
01540000 Townwide Motor Fuel	114,920	0	114,920	111,956	2,964	-	97.4%	
01550000 Road Materials	365,925	0	365,925	336,759	29,166	-	92.0%	
01560000 Transfer Station	159,597	0	159,597	124,745	34,852	(35,000)	78.2%	Increase in the amount of bulky waste
01570000 Septage Disposal	2,600	0	2,600	3,276	-676	(676)	126.0%	
01610610 Park & Recreation	410,949	0	410,949	357,172	53,777	-	86.9%	

TOWN OF EAST HAMPTON  
GENERAL FUND EXPENDITURES  
As of May 18, 2020  
FY 2019-2020

Agenda Item: 9B  
5/18/2020

ACCOUNT DESCRIPTION	Original Budget	Transfers	Revised Budget	TOTAL	Available	Projected Variance	% USED	Comment
01660000 Arts & Cultural Comm.	2,000	0	2,000	651	1,349	-	32.5%	
01670000 Community Center	163,011	0	163,011	143,611	19,400	-	88.1%	
01680681 E Hampton Public Library	461,442	0	461,442	390,213	71,229	25,000	84.6%	Reduction in part-time wages
01680682 Middle Haddam Library	5,000	0	5,000	5,000	0	-	100.0%	
01710711 General Obligation Bonds	2,080,000	0	2,080,000	2,080,000	0	-	100.0%	
01720721 General Obligation Bonds	880,175	0	880,175	875,175	5,000	-	99.4%	
01750000 Capital Leases	268,211	0	268,211	241,718	26,493	-	90.1%	
01810000 Operating Transfers Out	872,500	24,255	896,755	40,000	856,755	-	4.5%	
Grand Total	15,223,214	24,255	15,247,469	12,428,653	2,818,816	304,589	81.5%	