MINUTES
TOWN COUNCIL
SPECIAL MEETING
August 12, 2024
6:30 PM - Joint Town Council/Board of Education
820 Enfield Street, Council Chambers
https://www.youtube.com/watch?v=MY6n6Ff3MSA

1. ROLL CALL

Present: Gina Cekala, Robert Cressotti, Bob Hendrickson, Michael Ludwick, Jim Nasuta, Ken Nelson Jr., Marie Pyznar, John Santanella, Lori Unghire

Absent: Cynthia Mangini

Also Present were Town Manager, Christopher Bromson; Assistant Town Manager, Steve Bielenda; and Town Clerk, Sheila Bailey. Invited guests were Acting Superintendent, Andrew Longey; Incoming Superintendent, Steven Moccio, Board of Education Chair, Charlotte Riley; Board of Education members Tina LeBlanc, Amanda Pickett, Gerald Calnen, Scott Ryder, Jean Acree and Janet Cushman (remote).

2. BOE FORENSIC AUDIT UPDATE

Mayor Nelson stated that he would like to discuss the request for proposal (RFP) process to better understand how the audit should be conducted as well as the potential expense to the town. It was his hope that numerous experienced companies would come forward and offer suggestions as well as help the town set the parameters of the audit to best achieve the goals and objectives of the town. Mr. Nelson said that many BOE members were blindsided by the overspend and everyone would like to see it avoided in the future. Councilor Santanella expressed that he would like to be clear about what the town could expect to gain from having a forensic audit. Mr. Santanella was not sure whether he would be able to articulate the differences between the regular audit process of the BOE, and that of a forensic audit. He believed it would be more helpful to the public if they knew what to expect from a forensic audit. Mr. Nelson clarified that people were under the assumption that the BOE is subject to an audit every year, when, in fact, it is the Town of Enfield. The BOE is a very small portion of that audit.

Mr. Nelson said that the forensic audit would allow them to uncover the circumstances surrounding the overspend and help to determine "how and why" it happened. It would reveal whether the board was solvent at the end of fiscal years 22/23 and 23/24. If they were not, it would answer the question "did they carry it over" and "how did they carry it over." The forensic audit would zoom in on a particular area of concern and dissect it, versus doing a breakdown of the entire budget. Mr. Santanella said it may be of benefit to meet with the company performing the audit to make sure the Council is asking the right questions. He believed there are too many variables to what got the town to this place, and that asking the right questions is imperative.

Mr. Nelson explained that the only reason the previous meeting was canceled was because it was during the summer, making it difficult to meet, and not because of differences within the two parties. Mr. Nelson agreed that he did not believe he was knowledgeable enough on the audit subject to be able to come up with the correct questions to ask the auditors. He hoped that the Council could have an RFP to review at the September Council meeting, along with a list of questions for the auditors. He believed that the auditors could assist the Council in crafting the appropriate questions to review existing practices within the BOE and to discover whether new processes could be enacted within the BOE, as well as between the BOE and the town.

Deputy Mayor Pyznar agreed that the only way to move forward with the forensic audit was through an RFP. Ms. Pyznar said the process would allow for qualified companies to come forward from which the Council could choose which one they feel is the most qualified. She believed that they all agreed they were looking to understand when it happened, how it happened, and what they could do to avoid the same thing from happening in the future.

Councilor Ludwick supported the audit and stated that there was an error in cash procedures within the BOE which needed to be documented. An audit would discover processes that need to be improved upon, as well as what we are doing right, and what changes could be implemented in the future to prevent this from happening again. He said the purpose of the audit would be to gain new ideas to move forward. The misconception was that there would be an investigation done by the auditors. If anyone believed there was wrongdoing, it would have been a police matter. Once the audit is completed and documented, new procedures are added, and they will determine how we will move forward. If the audit is done correctly, it will help provide guidelines on how the BOE and Town Council can work together in the future. Even though the Council are not experts on the subject, they do still need to give direction to the auditors. He would like to see how they can improve communications with the BOE, figure out at what point issues should get escalated to the Council, and who is part of the chain of command. He believed open dialogue is important to the residents. The process should be seamless, documented in writing, and available to the board and the Council in written policy and procedure.

Mr. Santanella said the issue at hand is a financial issue and the creation of guidelines was more of a procedural issue. He said that once the financial portion was sorted out, then looking at the procedural part could come later.

Mr. Nelson agreed that there is a financial issue, and the audit would help determine what caused it and how it would be remedied. He believed that it was an issue that went back a number of years, and it all came to the surface this past year. He did not believe that there was any corruption involved.

BOE Chairperson Riley said that back in May when the discussion of an audit first started, it was originally a joint town and board audit. Ms. Riley asked for clarification whether it was solely the board being audited, or if it would be both together, since many of their processes go through the town. Mr. Nelson said that this would be more of an audit for the board, since the town is audited every year, and this would help determine ways to strengthen communications and processes between both sides. Ms. Riley agreed that the town and board should meet on a monthly basis, since they will be meeting next month per the MOU. She said that once Business Manager Lorena Cisneros returned from vacation, she would be able to explain how she conducts the BOE audits to give the Council a better understanding.

Board member LeBlanc added that if an escrow account was started, she would like it to show the entitlement grants and how they are used, so the Council would have a better understanding. Ms. LeBlanc said that they are guaranteed funds, but sometimes are received in pieces even after the school year has ended. It was important to her that they discuss guaranteed grants, grants dependent on legislation, and grants that have been applied for that may or may not be received.

Board member Pickett said that she is still unclear as to what the forensic audit is and what can be expected. It is important that the board discusses how they close their books. That way, the information is known beforehand. She said that state grants are available for view by the public on EGMS and would allow everyone to know what is being received as public funds. All the state grants are reimbursable, and once you know you are receiving a grant you are guaranteed the funds. Even though the money may come after the fact, you are aware of what you are receiving.

Councilor Cekala said she was not sure a forensic audit was what they needed, but more of a regular audit. Ms. Cekala was under the impression that forensic audits were to be used for legal matters or for court proceedings, to help uncover wrongdoing or hidden information. She asked that the RFP include verbiage saying, "forensic or financial audit", to allow for the auditing company to determine the better audit for the situation at hand.

Town Manager Bromson agreed and would work with Finance Director Wilcox to determine what wording should be included in the RFP. Mr. Bromson said that it's important to discover the root cause and receive recommendations for the future. He would like to ask the top three auditors the correct questions to determine how they would move the town and board forward.

3. BOE FISCAL YEAR 23/24 STATUS UPDATE AND REVIEW

Acting Superintendent Longey provided the Council with the FY 23/24 update and review. Mr. Longey thanked the Council for stepping up to help the students of Enfield by remitting the funds to offset the overspend. He stated that the business manager was able to close out FY 24 and all bills and services were paid in full. He said that all monies owed to the district had been received.

4. BOE FISCAL YEAR 24/25 STATUS UPDATE AND REVIEW

Mr. Longey updated the Council stating that going into FY 25, the BOE was working with a clean sheet, and they also had carryover of contingency funds. Mr. Longey said that while closing out FY 24, they were able to start saving a reserve fund for FY 25, and hopefully, for the FY 26 budget. He stated that while he implemented the cut of $9.5 million to the current budget, he was able to maintain a carryover of $200,000. The amount was not enough to cover any major contingencies. He explained that traditionally, they receive some funding over the summer. Since the end of June and throughout the summer, many staff members have left the district. This has allowed them to recall several former teachers and staff. By back-filling vacant positions, they were able to create significant savings, ultimately reducing the workers' compensation budget line item.

In the budget line item for Open Choice (students that come to Enfield from Hartford), the town receives money depending on how many students they receive. The goal was to save that money for the end of the year for any contingency, and some of that was carried over. Currently, the carryover balance is $494,640.69 and the funds would be used for any contingencies during this fiscal year. The money will sit in the Open Choice line item for now until Mr. Moccio decides where the money should go. Keeping it in the Open Choice line item also allows the business manager to move the funds where needed. The current balance does not account for the $275,000 that was promised by the State of Connecticut at the end of June. Enfield was one of two districts chosen to receive end- of-ear funds due to the state's investigation involving Alliance District funds not being properly allocated. Since the funds had not been received yet, he did not want to add them to the $494,640.69, in order to remain ultra conservative in his budget planning. Many of the grants have been applied for under the direction of the State Department of Education through the Alliance Grant Portal. These grant funds are leftover ARPA and Covid funds, and he has received confirmation that the applications have been received. They will use the funds for a program called "Into Reading" (an unfunded mandate) for which they requested $149,601. $132,038 will also be used to fund a program called "Ready Math" which is for students K-6, leaving the district to only have to pay $6,639 for this program. Once the board receives these funds, which will hopefully be by the end of August, then the $275,000 can be added to the Open Choice line item. This will, hypothetically, give them $769,640 in contingency funds to help with any unexpected expenses throughout the coming year, and hopefully, to also help with the FY 25/26 budget proposal.

Mr. Longey said that special education is the most watched line item. He stated that from July 1st through August 12, 2024, Enfield Public Schools have received twenty-three new special education students, with one coming from an outplacement setting, which costs roughly $150,000. Eight new students enrolling at Stowe Early Learning Center have IEPs, which, assuming no more students will enroll, would give the district a total of 979 students with IEPs. He said that the total was roughly the same as last year, according to the Special Education Director. They have been able to budget for that trajectory, but if there was a greater influx like the prior year, then they would need to take money from the Open Choice budget line. Another consideration in special education is the teacher and staff shortages across the state, including school psychologists, which are the most critical. Due to those shortages, they need to source outside agencies and legal services which are very expensive. Those positions, along with occupational therapists and physical therapists, are services the board is legally obligated to provide.

Mr. Longey hoped that the Council found the figures to be optimistic, because the contingency funds are sitting at about 1% of their operating budget. Their goal is to get that to 2% and to do a budget presentation for the Board by winter. He clarified to Mr. Nelson that he had received confirmation that the state has received their application for the $275,000 grant, and someone would be reaching out to let them know if modifications needed to be made or if that money is not eligible for the programs outlined. He said that the programs fall into the criteria outlined in the application, but he does not want to jump the gun. The approval process is a very formal process, with an email and letter being sent, and the funds being transferred to the appropriate account. Mr. Nelson appreciated the board rebuilding the carryover for contingencies. Ms. LeBlanc said that this is the first time the board had been that close to the grant process as well as applications, and because of that, they learned to play it safe, since they don't always get what the state has promised.

Mr. Ludwick appreciated that Mr. Longey was taking a conservative approach to the budget. Mr. Ludwick said it's important to maintain a buffer because you don't know what could happen, and the state doesn't need to follow the same procedures the town does. He said it's important to have these meetings on a regular basis.

Councilor Cressotti thanked the board for increasing the contingency funds, and said it was important to hear what they had to say. Mr. Cressotti looked forward to the audit to see which areas could be improved. It was confirmed that the only special education students who would not be returning from last year were due to graduation. The town had not lost any others, only gained new students. He congratulated the board on having almost a half million dollars in reserves. He said that the overspend was an accumulation of circumstances, but having the audit will get them the answers they need to avoid it again in the future.

Mr. Santanella asked Incoming Superintendent Moccio how possible grant money from the state was accounted for in his former district of Stafford. Mr. Moccio answered that it depended on the grant as to how they would budget for the anticipated funds. It could either be budgeted as an offset or, if it was a guaranteed grant, it would be included in the budget. In most cases, the money would not be spent until they received the acceptance letter. He said going forward, they need to create their budgets to work within the state's rules, but still protect the town. Mr. Moccio said the state makes the towns spend money on the front end and will reimburse the town after an application is submitted, and the grant is awarded. Mr. Santanella said he was glad to hear that other towns operate the same way as Enfield, by spending funds in the hopes of getting reimbursed by the state.

Councilor Hendrickson thanked Mr. Longey for his hard work and appreciated the time spent on creating this review.

Ms. LeBlanc said that she believed it would be important for the board to alert the Council of any increased IEPs, whether it be on a monthly basis or not, as well as provide totals for increased services as they arise. She believed it would be beneficial for them to compare the costs associated with paying outside vendors versus using their own hired staff. Mr. Nelson asked if a breakdown of services could be provided to determine whether they would still require outside staff if they expanded the Eagle Academy. Mr. Longey responded that the Eagle Academy has become a regional hub and serves more than just Enfield students. If they had access to a larger building, they could make it work. He said that some students' out-placements are so severe that they require a full-time facility, and that is something they are not equipped to handle. Currently, there are twenty-five students who have out-placed IEPs that cannot be accommodated at Eagle Academy. The costs for these services can be around $100,000 to $150,000 per student. There are many layers and facets to students' needs, and that is part of the reason it is so difficult to keep track of special needs funds and services. Mr. Nelson said that they have been trying to determine a use for Nathan Hale, and it could be used to serve as a home for an expanded Eagle Academy, but the Council needs to establish an amount they'd be willing to spend to move the project forward. He said it may also be an eligible project for School Modernization.

Mr. Ludwick said it was important for the public to understand the numbers when it comes to the funding of special education in Enfield. Mr. Ludwick believed that Enfield offers an excellent education that is sought after by many towns. He would like to see the Eagle Academy expanded to be more inclusive of other towns while keeping Enfield students in town. He wanted the town to receive the full funds that they had been promised, because many of the programs that are offered are also mandated. He said they are stressed on their budget because they are continually underfunded. Ms. LeBlanc replied that many of the Eagle Academy students are often transitioned back into other Enfield schools, sometimes starting as half day, or participating in extracurricular activities.

Ms. Riley said that some of the problems surrounding budgeting were related to insurance costs and an increase in students. Ms. Riley asked if it was possible to have another joint insurance meeting to discuss insurance, claims, and utilization. She believed it would be helpful in projecting the next budget year.

Councilor Unghire welcomed Mr. Moccio and wished him a smooth transition into his new position. Ms. Unghire also supported the RFP for whichever type of audit they choose. She appreciated the information that Mr. Longey was able to provide the Council.

Ms. Pickett said she appreciated the open dialogue between the two groups and agreed there should be more transparency. She believed that many of the issues regarding their budget are due to historical lack of funding, and she would like to discuss the impact of the reduced funding at future meetings. She said the reason for the increased special education costs is that there are no adequate intervention and prevention programs, and many of those support services were just cut with the last budget. She said it was important to tell the full story and not just celebrate the numbers.

5. FUNDING UPDATE AND REVIEW

Mr. Nelson said the funding update was provided earlier in the evening. Mr. Nelson thanked Mr. Longey, and stated he was one of the best superintendents he has worked with throughout the years. He said that Mr. Longey had been put in a difficult situation and stepped up and provided help whenever the Board or Council required his assistance.

6. ADJOURNMENT

MOTION by: John Santanella, seconded: Lori Unghire to adjourn.

Upon a **SHOW-OF-HANDS** vote being taken, the Chair declared the **MOTION** adopted unanimously, and the meeting stood adjourned at 7:50 pm.

Respectfully submitted,

Sheila M. Bailey, Town Clerk	Lindsay Petrucci, Assistant Town Clerk
Clerk of the Council	Secretary of the Council