

WEST HAVEN BOARD OF EDUCATION MINUTES

January 24, 2011

Special Meeting Bd. of Ed. as a Whole for Finance

The Special Meeting of the Board of Education as a whole for the purpose of finance was held at the Harriet North Room, City Hall, 355 Main Street, West Haven, CT. The meeting was called to order by Howard Horvath Jr., Chairman of the Board at 6:00 p.m. The meeting opened with a pledge to the flag. Chairman Horvath then handed the meeting over to Superintendent Neil Cavallaro.

BOARD MEMBERS PRESENT:

Howard Horvath Jr., Chairman

M. Toni Paine, Chairperson Finance Committee

Dorinda Borer

Patrick Egolum

T. Sean Maher

Mark Palmieri

Rob Saley

BOARD MEMBERS ABSENT:

Eric Murillo

ADMINISTRATORS PRESENT:

Neil Cavallaro, Superintendent of Schools

Anne Druzolowski, Assistant Superintendent

David Cappetta, Director of Finance

Superintendent Cavallaro has given a bottom line number for each summary for all of the board. He has a presentation prepared for tonight and will answer any questions. He thanked all the administrators, coordinators from central office who critiqued his presentation, the managers from the Stadium Chris Everone, the Rink Harry Conlan, Gail Marcella from Food Service as Alan could not attend tonight, the Central Office Staff including David, Matt, Anne, Jolene Barnes who was very helpful in getting us some information included in this presentation and also Al Barbarata and the guys from AFB with their input as well. Neil asked that they jump in if they have information to provide to you. Feel free to ask any questions. We have a February 1st deadline; we can take a little more time however we would like to get a recommended budget from me to you and then over to the Mayor around the February 1st deadline.

- West Haven Department of Education - By Charter our department as well as all City departments we are to submit a recommended budget to the Mayor for his review by February 1st. Tonight there will be a presentation which shows how we arrived at the numbers we arrived at. This budget maintains all current levels of service and operation. We have tried to maintain all instructional services. There is no reduction of staff, no closing of schools, and no reduction of public availability of services in this proposed budget. There is no reduction in time that outside people can come in and use our facilities.

- 2011/12 Requested Budget – This is a requested budget. This budget assumes we are going to receive the level of state funding we have been receiving. It includes all contractual increases based on the current staff that is working. By the time we adopt an operating budget in May this number could change slightly depending on retirees and people who have indicated they will not be working here next year. It includes any contractual increases for services particularly transportation which allows for a small increase. Most importantly it allows us to continue with our educational goals and objectives. This is not an operating budget unlike any of the other departments you are all aware that we are not subject to line items that the Mayor designates for us when he gives us a budget in March and is passed by the Council in May we get to take the bottom line in May that we are given and then go back and do an operating budget.

- Superintendent’s Proposal

- Budget maintains all current levels of service and operations:
 - All instructional services maintained
 - No reduction in staff
 - No closing of schools
 - No reduction in public availability of services (building access)

- Requested Budget
 - Assumes level State funding
 - Includes contractual increases based on current staff
 - Includes contractual increases for services
 - Allows district to continue with educational goals and objectives
 - Operating Budget (the bottom line)

The Board will make adjustments to its request based on final dollar amount appropriated by the City Council in May

- ❑ Budget Categories: The following are the main budget categories
 - ❑ Tuition – Special Education Tuition for students placed out or who are in need of services
 - ❑ Transportation – This is about 5% of the budget
 - ❑ Salaries – This is certainly the bulk of our budget along with benefits which make up about 3/4th of our budget
 - ❑ Benefits and Fixed Charges
 - ❑ Operation of Plant – 6% of the budget
 - ❑ Purchased Services – Contractual services – legal services, AFB, IKON
 - ❑ Instruction – This is our discretionary money which represents less than 4% of our budget
- ❑ How The Money Is Spent - A pie chart showed where the money went in the following categories.
- ❑ Tuition – we monitor this very closely. There is a slight increase in the tuition account. With outside placements which is 90% of our budget there are a lot of things we can not control; a DCF placement and a homeless placement. If a child is homeless we may have to transport as far away as Middletown or other parts of the state until a permanent residency is established. That can cost us up to \$1,000 a week for transportation of a child from a shelter or temporary placement to and from our schools each day.
- ❑ Includes moderate tuition increase
- ❑ Unknown variables include
- ❑ Outside placements
(90% of the Tuition budget)*
 - ❑ Homeless provisions
(McKinney Vento Act)
 - ❑ DCF placements

*Note: Special education costs represent 23.50% of the **total** budget and include costs incurred in transportation, tuition, salary categories. *Only tuition is noted here.*

Judy Drenzek stated that the budget for one pre-school child is \$109,000 a year which includes transportation and summer school. We have no choice but to pay that price and we may have that child for quite a while as we are having meetings to see about placement. That is what we are doing now. Another child was in foster care in Rhode Island this past year and now is with a legal guardian but we had to pay the cost of tuition for that child for several months. Joe Lucibello said a family moved in this year from another state with several students that required Special Ed services from a previous school

system. One child is currently in outplacement that costs us a lot of money. We have to honor these types of things and we have meetings to see what the child may or may not need. If DCF decides to take a student out of the home and place them in a residential placement we are required to pay the cost we have no say over this. These are costs we can not account for that can happen anywhere at anytime and this year we have had a number of these situations.

Neil stated that this year we had a student out on expulsion that we were providing homebound to and we were recently notified the student has been placed out in a residential placement and we are considering fighting it because we are required by law because the child was expelled to provide an alternative and this was the alternative. We are not ready to concede that we will pay this amount of money for a program we don't feel we have to offer. This is still in the early stages so I don't have much more detail to give you at this time. Kathy, Ginny and Joe do a great job trying to keep kids in the district and if we can do this with a para it is less expensive than placing them outside and we do a very good job with this and in bringing kids back into the district. This is a number we have little control over and need to call it to your attention.

- Transportation – There is a small contractual increase with Winkle. Each year we bid out special education runs based on the number of students placed out of particular facilities and where they are going. We have liveries and cabs that actually bid on these students and this can get very expensive depending on the number of students and where we are transporting them.
- Contractual increase
- Special education transportation annual bid
 - Varies with number of students in need of service
- Salaries - We have gone through a lot of negotiations this past year and are still in negotiations. The teachers are not getting a raise there is no step movement. We have changed the medical plan and there is an overall savings associated with this. Negotiations have been completed with the administrators and the new contract goes into effect next year. It is pretty close to the teacher's agreement and the Board has ratified both of those contracts. We are currently in negotiation with the paraprofessionals. They are working this year without a contract we have budgeted a slight increase but that number could change when we do our operating budget based on the outcome of the negotiations and what they end up with for a medical plan. The nurse's contract ends at the end of this year and we are just starting talking about this. We have scheduled a date so they can hear about some of the medical plans that we are interested in giving them but no negotiations are currently scheduled. AFSCME has two years left on their current agreement; they are getting a 2 ½% increase and their co-pay is up to 15%. The AFSCME Food Service (Cafeteria Workers in the elementary schools – about 30) makes a little over minimum wage and do not receive benefits. CWA negotiations have been completed and they are receiving a 2 ¾% raise and their co-pay is up to 12 ½%.
- 2011-12 increases based on cost analysis from current negotiations and contracts – We have made some in roads in negotiation and have saved some money as a result.
- Stimulus Dollars vs. Education Jobs Bill – This is very important for everyone to realize. We have talked to the board about this. The stimulus dollars came in the form of ARRA money – The Recovery Act. This came in the form of Title 1 and IDEA money which is spent money that goes towards Title 1 and Special Education. This money is no longer available.

- ARRA Title I and ARRA IDEA dollars are no longer available to the district.
- The employees being paid out of these grants are now being moved to the General Operating budget.
- \$1.1 million dollars back into the General Operating budget (but we have about 1.5 million we are putting back into the budget in the form of a Jobs Bill which we were able to carry over. That was money passed in September after we had our budget this year and it is allowed to be spent over two years. We put some teachers back to reduce class size but we are using the majority of this money in the requested budget for next year.
- Stimulus Dollars vs. Education Jobs Bill
 - Education Jobs Bill dollars are still available for this fiscal year and will supplement the General Operation Budget at an estimate of 1.5 million dollars.
- Number of Employees per Union – The Board of Education has done its share in reducing the number of employees based on the current economic times. The two biggest hits are the two biggest unions; the Teachers and AFSCME. In total from last year to this year we have about 74 or 75 fewer employees. We are budgeting next year based on the same number of employees that we currently have but it is 70 or so less than what we had last year.
- Operation of Plant – This is about 6% of our budget. David and Matt put those numbers together based on recent history. We have budgeted a slight increase. Administration is looking to put this number out to bid and it could come in a little lower but since it is a requested budget we are going to work with the most accurate up to date latest figures.

Only increase in this category of budget due to rising costs in utilities. Al Barbarata will talk about an energy plan once he is more familiar with our facilities and how we will manage our energy more efficiently in the future.

- Benefits & Fixed Charges
- Budgeted Amount
 - 2010-2011: \$16,207,081 – Amount budgeted in current budget
 - 2011-2012: \$17,072,827
 - Why the increase?
 - Increase in claims (self insured) - We are self insured. We pay claims fully as they come in.
 - Anthem estimates a 10% increase – This includes the new teacher and administrator contract and benefit change. That number is given to us by Anthem and Blue Cross. There is an increase based on the history of claims with Workman’s Comp.
 - Worker’s Compensation
 - Increase based on recent history of claims

Through contract negotiations, the budgeted increase for health benefits is 10%.

- Had we not changed the plan, the increase would have been 14%, or an additional 1 million dollars. The negotiating team did a good job in saving the City money in the way of changing the health coverage for some of our employees.

Jolene Barnes reminded the board that the plan for worker's comp is that we pay the first \$500,000 per case so it is important to remember that that figure is per case. Last year's OSHA Report showed there were 169 recorded injuries and of that number 34 were cases with time away from work. There were a number of cases in the 34 that were very severe cases. Neil thanked Jolene for this information.

- Purchased Services - Included in this are the contributions that the board takes out of its general operating budget.
- Board's contribution to rink, food service, and field – There is a reduction in the requested number amount. Superintendent Cavallaro believes especially with food service we will significantly be able to reduce that number but we haven't gone through a full budget cycle yet with the new set up that includes the lunch program we are offering at Carrigan which is an elementary lunch program which eliminated a lot of employees. We are hoping in May we can reduce this number. The same with the Bennett Rink. Under John and Harry's leadership and with Al getting a little involved we are reducing the board's contribution almost in half. We have some creative ideas which include raising the rental fees and looking at policies.

Al Barbarata from AFB gave some information on what they have done in some of their other communities. There are opportunities where people want to use our facilities certainly at the rink and sports complex where if we get the board to adopt a policy we can protect the non profit and youth groups that we might want to let use our facilities for free but set a program in place where we can charge people that are making money using our facilities who might want to teach aerobics or classes and there is a fee involved. We need to take a look at what Park and Recreation pays. We incur overtime expenses for our custodians and there are deals where people get paid \$25 an hour to cover expenses and what we need is have a policy that everyone can look at and we need to be consistent. He has been working with Harry and John and will come back during the year with a program you will adopt and follow and turn these areas around so you are not having to put money in so that you can run these facilities at no cost to the Board of Ed and not spend money that you need for Special Ed and teachers.

- Consultant/Outside Services – Purchased services are some of our larger contracts
- AFB
 - The Business Network Group
 - IKON
 - Legal Fees – This year legal fees were pretty high because we went through arbitration with the teachers, went to mediation with our administrators, finished an arbitration process with CWA that was started last year, we have para negotiations, and we are going to negotiate with the nurses. This is five of

our seven bargaining units. We are hoping to reduce the cost of legal fees in our next year's budget because we won't have as many negotiations. In the end this resulted in a savings to the board.

- Negotiations and personal issues necessitated extensive use of lawyers 2010 - 2011.
- Less legal needs anticipated for 2011 - 2012, thus fees will decrease
- Instruction – About 2% of our budget goes to instruction. The following is included in this budget:
 - Current educational program maintained
 - Professional development program – Most of this money comes from Title 1
 - Instructional materials and supplies
 - Instructional costs lowest percentage of budget, along with purchased services at 2%
 - New costs
 - Data retrieval system (Yale) – We have to purchase this system to start monitoring and tracking students in looking at assessments and how we are doing and how we are changing our instruction and how we are teaching. We may be able to do this out of this year's budget. Yale may make a substantial purchase so we can fully supply Bailey with about 20 smart boards which would allow us the money to go ahead and purchase the retrieval system and hopefully have a little more money to spend on other instructional supplies.
 - Begin process of identifying new reading series – Our current reading series is about ten years old and we need to start looking at it next year and do this slowly because the state is coming out with new standards & guidelines. These are some of our main goals to do for next year.
- The Timeline – The following is the budget timeline.
- December
 - Requests are submitted by administrators and department heads. They are analyzed and compiled by Central Office.
- January
 - Board of Education meets to adopt a 'Requested Budget' that will be submitted to the Mayor on or before February 1.
- February
 - Feb 2 – 28: Board of Finance reviews requests
 - Mayor works on 'Recommended Budget' for City Council

- Board of Education submits Capital Improvements
- March
 - Mayor submits 'Recommended Budget' to City Council no later than March 17.
- April/May
 - City holds public meetings no later than April 7
 - City adopts operating budget no later than May 5 - We will know what our budget is and then we will go back in and fill in the blanks based on what that bottom line number is.
- May/June
 - Board of Education meets to adopt an 'Operating Budget'

The total increase (2.89%) imperative to maintain current levels of service.

The total increase being asked for is slightly under 2.4 million dollars and slightly under 2.9% we are asking for that amount of money and it is imperative we get that amount to maintain the current level of services. Neil stated if you have any questions we are here to help you make informed, intelligent decisions and move forward. The floor is open if anybody wants to add anything.

Questions

Rob Saley asked if there was any cost savings involved with the move to City Hall in regard to consolidating some of the duplicate services that we have. Neil said we are looking at plans as to how to redesign City Hall and make some combinations of those services. At this point nothing is taken into consideration in the requested budget. Hopefully in May when we go to adopt a budget we will be able to look at that and hopefully do it in a way that doesn't hurt anybody through attrition and whatnot and come up with a plan that saves both the board and city some money.

Dorinda said a lot of her questions were answered and Neil did a very thorough job but she does have a couple more. Neil thanked her.

Dorinda asked the following questions:

Did the Mayor give us any indication of what we would be receiving because the 2.3 that is requested she knows we will not get? Neil said several of us met and we were told to not expect much it is going to be a lean year. All the scenarios we discussed based on what they will do with the ECS funding are still in play; how level funding ECS if that happens affects things like LOCIP Money or Pilot Money that we receive from the universities. We could not get a final dollar amount from the Mayor. I think he appreciated what our number is but I'm not real optimistic we will get everything we asked for.

Is our plan this year to wait until we get the final budget before we start to look at where we are going to cut or is that something we can start to do early on? Neil said it is have to make cuts before you have specific numbers. One of things we will do is play out some scenarios. Certainly you can see it is not as monumental a task this year as it was last year. I believe some of the things we put in place put

us in a better position than a lot of other communities are. We haven't taken into consideration retirement which could affect us to the better. For example teachers and administrators that want to retire under this current contract could affect our budget to the good as we move forward.

That 1M that you said is from the Job Bills that money is already in here right. Neil stated that money is in there and is replacing the AARA Money.

On Health Benefits Anthem gave you a 10% trending for increase is that a 10% based on our history or is that their book of business trending increases they are proposing? Dave Cappetta said based on our history of claims without negotiating a contract with the teachers to change their medical plan it would have been a higher % increase; close to 14%. With this change it gave us a 10% increase on our claims based on our history. Could you ask Anthem to look at the % increase for municipalities of like size are compared to us? Dave said yes. Dorinda would like to see what they are trending at compared to what we are trending at. Sure was Dave's response. Dorinda wanted to have Anthem's contract pulled so we could see what they are supposed to be doing for us as far as preventive and health fairs and a few more things they are supposed to be doing to help us reduce the costs. Same thing for Worker's Comp. Dorinda stated that Jolene said there were 169 claims and asked if there was a pattern there? Jolene said it is very close to the amount we have had in previous years. Is there a specific injury that keeps reoccurring and has the Worker's Comp Carrier come in and done any training? Jolene said we have had training in the past. A lot of it is lifting, back injuries, slip and falls and we are equal to those in other communities and districts. We have an aging workforce, me included, so it coincides with increased injuries.

Mark Palmieri said we have been through this discussion with the city and that Segal Group is supposed to be doing this and that has been our argument. We have the most employees so you are 100% right but that has to go through the city and I would recommend our chairman makes sure that Segal Group is doing that because we had this confrontation two years ago am I correct. Yes. That has nothing coming from this board. Howard Horvath said we can take a look at that. Neil said it is what it is based on our Charter. What we can do and actually CIRMA has suggested some things such as light duty and things that we can implement that down the road can save us some money. Neil has a meeting scheduled with the Mayor and some of the larger department heads such as public works and the police department where they have a lot of cases of Workman's Comp and hopefully we can get the number down. I know they talked about putting the Health Benefits out to bid. Again that is not our call but hopefully it is something the city will pursue and we can speak to them about it.

Dorinda said didn't we have a presentation by Ken that we put in some new lighting or heating and we were going to save money but the gas and the utilities are going up by almost 40% in the rink if I'm reading it right. Dave Cappetta said it is our hope to save money on utilities but we have not seen any decrease to date. Neil said because of the efficiency type things and some of the efforts we made to raise money we have operated the rink three more months than we normally did so it could be a little deceiving in that way. Rather than take the ice up May 1st we left it until the middle of June and put it down in August of this year to bring some camps in so that is also cause for the increase. Dave said the use of the rink is greater instead of 8 months we are at 10 months.

Rob Saley said so then the revenue should be larger then. Neil said the revenue is going up.

Dorinda said the Child Nutrition Legislation just passed on Food Services we were to receive 6 cents per hot meal. Do you know when that begins and how much we might be getting? Gail Marcella, from Food Service was here but didn't have this information. Alan Belchak prepared the budget and he

was not able to come so she was here representing him but did not know when it would begin. She does know we are receiving monies at this time from the government and it is being matched by the State and believes Alan anticipates it to be greater in the next budget. Neil said we would get Dorinda an answer to her question.

The Audit has been delayed on the City side and there is an extension for 30 days. Do we expect anything from that audit for the Board of Ed that might need to be restated? David said nothing drastic the issue right now is on the insurance and workman's comp and medical. We had a little surplus on the medical side and the workman's comp went over so we are hoping to reclassify some of that to even it out. There are no items on the Board's side that are really devastating. They are hoping to get that completed by the end of this month. Neil stated that the Mayor does not want to ask for another extension. He has every reason to believe he will meet the January 31st deadline.

Dorinda said that Neil mentioned the City was looking to go out to bid for operational plan what did you mean? Did you say that? No I don't think I did. Maybe benefits? They mentioned maybe going out to bid on the utilities. They have some kind of an agreement now and are hoping to either get out of that or extend it and try to get a better rate.

Do we have a projected enrollment for next year? Whatever the current enrollment is we basically use that again because we don't have registration begin until April 1st so we use the enrollment we have right now for the budget.

Do we know how many I know about 90 students last budget year were out of district do we know how that compares to this year? It is about the same.

In the school requests there were a lot for ECL, inclusion and Special Ed; there are a lot of challenges. I know that would be an increase to the budget but is that something we can consider; augmenting that staff back? Neil said it is something we considered asking for. We started thinking about what can we do for preschool students for kindergarten should we start putting more money and resources there but I think the consensus was given what we are asking for and what we are likely to get it is more important that we do what we can to maintain current services. If we were given more money we could spend it as there is no question our district has needs but I just don't see it coming Dorinda. We can provide you with a list of what some of our priorities might be but to put it in the requested budget I don't think would be productive at this point but the discussion is certainly worth having.

How much do we pay Business Network Solutions? Dave said the yearly contract he believes is \$225,000 a year. Are they going to give a presentation on what they do for us? Dave said we can they would be very willing to do that. We can set that up in the next meeting. Howie asked if there were other expenses over and above the \$225,000. Other than actual materials they have never submitted for any travel; it is the \$225,000 flat. Sean said so hardware and software falls under a different line item. Their payment comes out of outside services and any related payment will come out of our G29 Technology Account or G16 Educational Media. Sean thanked Dave. Dorinda thanked Dave and Neil.

Rob Saley said since money is the most important thing in our education system and grants are a huge part of that and since I read that Connecticut has about \$600 million in grants that they give out I would really appreciate it if we could get our grant people whether it is Dave Russell or Matt to tell us the process. Tell us what grants we have applied for and what our chances are as a distressed city; more or less what the process is and what our chances are of getting more money. I mean that \$600 million sounds like a lot of money so I would like to get our grants people here and I think this is my third request. Neil said we haven't had a meeting since the last time you requested it so we will get them

here. Rob said he knows but was just reiterating again that is all thank you. Neil said laughingly it is not like we are not hearing you.

Dorinda said there was a request about security guards. Did we add security guards this year I know we talked about it? We did not there are a couple of issues #1 being cost #2 is how we want to bring those employees in. It is our understanding right now that the work belongs to one of our bargaining units and we haven't sat down to have those discussions with the AFSCME Group. Is that something we will consider? We certainly can but there is an expense to it and again it is how we want to implement it. There are what we call security guards at the desk now and do we replace them as they move on or put them in other jobs and bring in a more police like group of people there.

What is the annual salary of the grant writers approximately? The grant writer's salary that comes out of Title 1 money is a principal's salary roughly \$115,000 or \$120,000 in that range. Is it your opinion that we need an additional grant writer? It couldn't hurt but one of the things I would like to see is working more with the City's Grant Writer and maybe you don't need two; this is an area where you give the person a little more money and we have a grants office that we can go to when we move to City Hall; those are the kinds of things we are going to look at. Patrick Egolum asked if he is satisfied with their performance so far; the grant writers? Neil thinks it is important to clarify that Dave Russell right now doesn't go out and seek competitive grants. His salary is more for the entitlement we receive and to manage those monies and funds. I will say that Mr. O'Sullivan who is the City Grant Writer has reached out to us and has stated his willingness to do more for us. We don't have a full time grant writer; could we use one; yes we could use one. Dorinda asked if we have to pay them \$115,000. Is that what the going rate is? Neil doesn't know what the going rate for a grant writer is. Dorinda asked if we could have somebody do that study for us. Sure. Dorinda asked if we could ask CAFE or CCM how much does a grant writer get paid typically. Certainly. Howie asked if there were any more questions.

Toni Paine said we made some very difficult and hard decisions last year under a lot of criticism but it put us in a better place this year. That being said it will still be a very lean year. I would like to say the Superintendent, Assistant Superintendent and Director of Finance have done a very prudent, complete and very thorough job and I move we approve the Superintendent's recommended budget. Mark Palmieri seconded it. Howie asked if there was any discussion: Mark Palmieri stated this included the Rink, Food Service, Stadium and Board of Education budget as submitted. All board members present were in favor. The motion passed. Superintendent's Budget for 2011/2012 is approved. Item #11-04.

Howard Horvath asked for a motion to adjourn. Sean Maher made the motion to adjourn and Patrick Egolum seconded it. The meeting adjourned at 6:55 PM.

Respectfully Submitted,

Marylou Amendola

Board Secretary