

**EAST HAVEN PUBLIC SCHOOLS
FINANCE SUBCOMMITTEE MEETING
BUDGET WORKSHOP
EAST HAVEN HIGH SCHOOL BOARDROOM
35 WHEELBARROW LANE
EAST HAVEN, CONNECTICUT 06513**

**TUESDAY, MAY 19, 2009
7:00 P.M.**

PRESENT: Mrs. Vitale, Mr. DeNuzzo, Mr. Finkle, Mrs. Geraci-Anastasio, Mr. Hammell, Mr. Hennessey, Mr. Inglese, Mrs. Padua and Mrs. Vineyard

ABSENT: Mrs. Lewis, Finance Manager

ALSO PRESENT: Mr. Serio, Superintendent of Schools
Mr. Meoli, Assistant Superintendent
Mr. Martorella, Administrative Consultant to the Superintendent
Mrs. Acquarulo, Director of Pupil Services
Mr. Joseph Travaglino, Director of Bldgs. & Grounds

1. OPEN MEETING

Mr. Serio requested a Moment of Silence for Jo Shinder, one of their Administrative/Instructional Leaders at the high school and middle school, who passed away last Thursday.

Mr. Hennessey called the Finance Subcommittee/Budget Workshop to order at 7:07 p.m. in the Boardroom of the high school.

- 2. Open-Ended Discussion/Board Recommendations for Savings on the 2009-2010 Budget**
- 3. Update on the Medical Incentive Plan**
- 4. Update on Layoffs/Concessions**

Items 2, 3, and 4 were combined into one discussion.

Mr. Serio stated the Medical Incentive Plan was offered last Friday and they were working with legal counsel and Central Office to establish a layoff list according to contract. The Medical Plan would close on May 28th. He had met with some of the bargaining units about some of his ideas and to talk about concessions. He was disappointed that the teachers' membership had not been involved in these discussions. He tried to encourage the Executive Board to have discussions with their membership and get a feeling from the membership as far as concessions in hopes to lessen the number of layoffs.

Mr. Serio spoke about how many times this Board met to go over the same items again and again. He was going to the Board of Finance meeting tomorrow night to request the remainder of Capital Improvement monies in the amount of \$56,000. Mr. Serio shared with the Board how busy he was with dealing with the day-to-day running of the school system and how he did not have enough time to give the Board the answers they were looking for right now.

The medical incentive plan was discussed and the signed sheets were due into Central Office by May 28th. Mrs. Vitale asked about the non-certified employees. She suggested that they have a one-on-one discussion with some of the non-certified people. **Mr. Meoli said they could take a look at putting something like that together and come back next Tuesday.**

Mrs. Vitale asked Mr. Serio whether the money they had moved out of last year's budget in order to balance those numbers were included in this year's budget or part of the savings they were going to have. Mr. Serio did not understand the question but said the purchase orders were moved over to this year's budget and stated it did increase their budget.

Mrs. Vitale asked if the savings on bids of \$176,000, the \$60,000 on buses, and the \$48,000 on buildings and grounds helped their budget. Was this part of their reduction? Mr. Serio said that she was jumping from one budget to another; they had actually been working on three budgets at once. He spoke about the Town setting up a meeting to have the auditors give a presentation on the 2007-08 Audit.

Mr. Serio handed out a memo which explained how they had dealt with the three purchase orders for the textbooks, tennis courts, and track totaling \$313,000. He was going to try to defray some of the cost of that by going to the Board of Finance for Capital Improvement money totaling \$56,000. He hoped they would be able to make it until the end of June but it would be tight.

Mr. Serio explained that in June of 2008 he was told he had a surplus of money to spend to cover the textbooks, tennis courts and track. They had also returned \$310,000 in surplus back to the Town. He stated he did not realize this until after June 30th, just as they hadn't, that Mr. Rizza had set that money aside as a surplus. Mr. Serio felt that this was a good thing because it helped to defray the over-expenditures.

Mr. Hammell stated they had appropriated monies for those specific repairs. Mr. Serio responded that payroll had not been posted and it made it look like they had an extra \$900,000 in the budget. Mr. Serio felt the whole situation could have been a whole lot worse if they had not been running a little bit stronger in the 2007-08 year. It was a terrible error that really set them back.

Mr. Hammell wanted to go back a bit and talk about Mr. Serio's statement about concessions and talking to the unions and how it was a slow process. Mr. Hammell felt that someone was "dogging" someone here because he felt Mr. Serio was right -- it was a slow process, but they didn't seem to be getting anywhere. This whole thing of concessions had been ongoing for months and they didn't seem to be getting any place. Where were they going wrong?

Mr. Serio explained that as far as the non-certified bargaining units, this Board could not afford to push that debt forward and put it into the 2010-11 school year. He could not ask them to give up a 3% raise and then give them 6% in two years. They knew what the Town received. They wanted what the Town had received and would agree to concessions too.

Mr. Serio explained until last week no CEA unions had made any concessions. Guilford had some movement from their meeting with a similar plan East Haven had. They gave up 50% of what their raises were for next year, extended the contract and gave a 5-year medical plan. One of the things they forfeited was giving out 40-45 layoff notices to the teachers. Mr. Hammell felt that our teachers did not care if anyone got laid off.

Mr. Hennessey felt that Mr. Serio's comment that they meet every week was because the problem was everyone was getting nervous because they don't know what's going on. Every week the story seems to morph a little bit. He liked having the meetings because he still didn't understand what was going on. They came here last week and they were over \$600,000 on buses. How were they going to make that up? The thing keeps propagating. The longer they wait to define these things, the more agitated people become. They needed to proceed with a plan with hard numbers assuming there would be no

concessions. Mr. Hennessey stated he didn't know where they were headed. When did the budget have to be done? He could not even answer that – by July 1st. Mr. Serio stated no.

Mr. Hennessey stated they could not sit here week after week and guesstimate. Mr. Serio stated they did have a layoff list with 23 teachers' names on it and a letter ready to go. There was discussion on how the medical plan might save some of the positions. Savings depended on whether there was someone certified on staff in that same area of certification of the person leaving or if the person did not need to be replaced.

Mrs. Vitale stated the medical plan needed to be completed by May 28th. At their meeting on May 26th, could they approve a budget? There was further discussion about when the budget could be approved and it was decided that on June 9th it could probably be approved. In order to finalize a budget, you needed to have an idea of what teachers were not going to be here next year. Mr. Hennessey stated they would have the list by the 28th. Mr. Serio explained that first you put them on notice and then a second letter goes out to tell them they have been terminated.

Mrs. Padua stated that Mr. Hennessey was talking about the medical plan and Mr. Serio was talking about layoffs. Mr. Serio talked about the timeline of handing out teaching assignments and stated he would try and get that done before the end of the month.

Mr. Finkle asked Mr. Serio if the 23 layoffs were taken into consideration after he and the principals had formulated some cuts in potential areas such as condensing three second grades into two. Mr. Serio stated yes.

Mr. Hennessey asked if Mrs. Raymo could tell them accurately how this year was going to close out. Mr. Serio stated she could by June 1st. Mr. Hennessey asked if it would tell them accurately how it was going to reflect on next year. Mr. Serio shook his head yes.

Mr. DeNuzzo asked where the biggest impact would be as far as the layoffs. Mr. Serio stated that you had to start with identifying the positions you were trying to eliminate and looking at certifications by seniority. The first place they looked was at the Middle School and the bumping goes across the spectrum. The bumping process happened until all vacancies were filled.

Mr. Meoli spoke about how they had worked in conjunction with the union. They had a tentative list they needed to go over one more time and then they would be ready.

Mrs. Vitale asked if any of the teachers or administrators had offered any suggestions on how they could save money. Mr. Serio stated yes, and when he mentioned them, they were unacceptable. Mrs. Geraci-Anastasio asked to whom. Mr. Serio stated the Board. There was discussion on different areas where monies could be saved through cuts.

Mr. Serio stated that at the last Board meeting they had come up with \$5 million worth of possible cuts/savings. They had gotten hung up on one which he wasn't going to repeat. Mr. Hennessey said, "The Academy". Mrs. Padua stated they did not hear any ideas from the administrators when they were in the audience last week. Mr. Serio stated that what was presented to them last week was from them. Mr. Hammell stated that that was not the way it was presented to them. Mr. Serio stated he did not work in isolation; he worked with his administrators and with the Board. He made recommendations and suggestions. The wishes of the Board dictated how they looked at this budget.

The Board members had not realized this was a concerted effort by everyone and it was a misunderstanding. Some of the ideas on the list were valid and some were off the chart. Mrs. Vitale stated that the final decision did rest with the Board.

Mr. Serio said the main thing he needed to reach that kind of number was salaries. Mr. Hennessey agreed and said they needed to nail down the 28th of May and take that number and come up with a finished product that they could approve in that first meeting in June.

There was some discussion on the savings in the medical plan and how payments of unemployment benefits and COBRA affected the final amount saved. Would this still mean the possibility of some layoffs? Mr. Serio felt that it was a possibility. Could they go back after the medical plan and after they identify them, lay off another 10 teachers after the 23? Mr. Serio stated they could. The next step after the 23 was to look into the specialty areas such as Special Ed paraprofessionals and literacy aides and other positions. This would not be elimination of, but reduction of.

Mr. Meoli spoke about how they had met with the principals and made up a list of items that could be cut. Then they went through the list and had to

come up with \$1.7 million to be cut. The principals decided they did not want to lose a reading consultant or math coaches and some other things. Some things came off the list and others stayed on. They were able to cut out the \$1.7 million and a little more. If they saved \$660,000 in salaries by going through the chart, perhaps the medical plan could cancel out some or all of the layoffs. If they had a few retirements, maybe some other things could start to come off the list.

Mrs. Padua felt that the kids would not object to Pay to Play. Mr. Inglese brought up the sheet that Mike Marone had put together suggesting elimination of middle school and freshmen sports and how it would save approximately \$90,000. He stated he had brought this up a year ago and people thought he had two heads. **He asked what if they added high school sports and cheerleading and band to that figure. This was not figured into Mr. Marone's figures, but they could look at those figures.**

Mr. Inglese asked what it cost to run the Middle School sports. It was approximately \$50,000. **Mr. Hammell asked if they had looked at the stipend positions. He felt this was a big number and wanted to know if each group was justified in having them. Mr. Serio stated he could provide him with a data sheet on those numbers. Mr. Hammell would like the data back in order to make that decision.**

Mrs. Padua spoke about saving monies in the smaller areas and felt they could lessen it a little bit in these areas. For example, why were they responsible for paying for busing for the Little Jackets? They were using rooms in our schools along with utilities. Mrs. Finkle responded that they contributed to the rent and they did not pay for busing because they go town wide. She paid custodial fees and other fees. There was further discussion on the Little Jackets and also on the rental fees that come into the high school. Mr. Hammell asked if they had an accounting of what comes in and out. Mrs. Vitale stated this was not in their budget. Mr. Serio stated that everything would be incorporated into the budget, even grants.

Mrs. Vitale asked that they be provided with what the per pupil cost was per school. She wanted to know what it cost to run a school and see how many pupils there were in that school.

Mr. Finkle asked why the unions did not want to meet with Mrs. Vitale, Mr. Hennessey and himself. Mr. Serio stated there was a consensus of the union presidents that they did not want to meet by themselves with the Board and himself. They had a negotiation team and they were asking them to meet

with them and he thought they were not comfortable with it. Mr. Hammell stated he did not think the Board was going to negotiate with them. Mr. Serio stated yes, it was. Mr. Finkle stated they did state “individually”. He had not meant it to be one person. Mr. Hammell stated the intent was not to meet with them individually to negotiate with them. The intent was each union or team. **Mr. Finkle asked that Mr. Serio ask them to meet with them again but either as a team or the whole union.**

Mr. Hennessey said he had very little hope for teacher union concessions. It was his opinion that they had nothing to give them. They were going to extend them one year at 5.7%. He could not see how this Board could approve this. Mr. Serio stated that no union in the State was getting five point something percent raises. Mr. Hennessey stated with Step it was 2.5 and Step 2.6. That group went up five point something and there was no way they were going to approve that. If you wanted to give them an extended year, you would have to give them 1.4 and 1.4. There was some further discussion regarding whether or not the unions would give concessions.

5. Update from Architect on the ED049 Project for Joseph Melillo Middle School

Mr. Serio stated that Mr. Hibbard, architect, was here this evening to talk about the plans he had put together for the Town on various construction projects. Mr. Hibbard stated he had worked on the roof replacement and solar panel projects. He had also been asked to start the educational specs for the renovation and expansion of JMMS. He had spoken with the Assistant Superintendent, the tech people and others on what this school would look like. It evolved into a 5-8 school. With the Academy moving in there with grades 3 and 4, it would be much smaller.

Mr. Hibbard spoke about the square footage per capita per student by various grades and what impact that would have on how the State reimbursed you for square footage. He spoke about those things that were reimbursable for the approximate 67.20% and those that were partially reimbursable as well as those things that were not reimbursable. Mr. Hibbard reported on when East Haven would have its peak enrollment years. For the Middle School, the peak enrollment years would be in 2010-11 and most decreased enrollment would occur in 2016-17. District wide, the lowest enrollment actually occurred in 2018-19 and then they climb out of it very slowly. Mr. Hibbard spoke about how the square footage changed depending on grade configuration in the school.

Mr. DeNuzzo asked how much it would cost for the square footage for construction. Mr. Hibbard responded in the neighborhood of \$12 million for new construction and for renovation about \$20 million. On the conservative side it would be \$35 million. Those were hard costs. There would be design fees and architectural fees as well as administrative costs. There would be bonding costs on top of that, and speaking conservatively, that would be another \$3 million.

Mr. Inglese stated it would be approximately \$40 million. Mr. Hammell asked if they would not get 65% of that from the State. Mr. Hibbard stated absolutely, but some things were partially reimbursable and some things were not reimbursable. Mr. DeNuzzo asked what was not fully or partially reimbursable. The seating area of the auditorium and half of the bleachers underneath them were reimbursed at half rate or 33%. Replacement they do not want to fund at all. Furniture was not reimbursable. Technology was prorated for computers and networking was only reimbursable for upgrades to meet the State standards. Mr. Hibbard commented that they did not have a lot of technology in these buildings.

Mr. Finkle asked Mr. Hibbard to give them a timeline from where they were now to when they put a shovel in the ground. Mr. Hibbard stated the ED049 should be filed by June 30th. Then it goes through some public filings and then a year of design process with meetings with the Superintendent, teachers, parents, etc. This would be about a year and then roughly another two years before you get students into the building or the addition. It would be about three years coming in August for a completed facility.

There was discussion on the grade configuration of what they wanted in the Middle School as well as what space was available if they wanted something bigger in scope than just a 48,000 square foot addition. Mr. Hibbard stated they were limited in property. Mr. Hennessey said they could consider acquiring property behind the school. Mrs. Vitale thought it was in a flood plain.

Mr. Hammell asked what Mr. Hibbard needed from the Board. Mr. Hibbard stated he needed the final configuration of what the grade level was going to be so he could generate the population and generate the square footage. Mr. Hammell stated they already knew that. Mr. Hennessey stated no, they didn't. Mr. Serio stated he thought he knew it, but now he didn't. Mr. Finkle asked if it was feasible to go up and Mr. Hibbard stated no, you generally build a building; you don't overbuild buildings. It was not feasible to go up another floor. Mr. Finkle stated looking at your square footages, he wanted to

know what the maximum student count could be that they could possibly build out? Mr. Hibbard stated he did not approach it from that standpoint. The State of Connecticut only allowed you to look in that 8-year window.

Mr. Hammell asked Mr. Hibbard what his timeline was in order to write the ED049 and get it in by June 30th. Mr. Hibbard stated he needed to know in the next few days or a week which direction they were going as far as grade configuration at JMMS.

Mr. Mauro stated that the Board of Education makes a decision and at that point they bring it to the Board of Finance for bond authorization and once that happened it would go to the Town Council for a meeting to set up a public hearing. Then they wait 7-10 days and have the public hearing and at that point it needs to be approved. Mr. Inglese asked, this all has to be done by June 30th? Mr. Mauro stated he had said that four or five months ago. If it was not done by June 30th, they would have to wait one more year.

Mr. Hammell stated they needed to act on this pretty soon. It was already said they meet once a week for nothing. Mr. Mauro stated the State in the future was looking at cuts of 10% on the reimbursement rates. Mr. Hammell said they needed to have another meeting very shortly. Mr. Hennessey asked how you decide on the whole reconfiguration of the entire school system in a couple of days. Mrs. Padua thought that a lot of them were aware of what was recommended to them. Mr. Hennessey questioned that they knew what schools they were closing? Mrs. Padua stated not that. They were talking about the ED049. Mr. Hennessey said they needed the whole picture clearly in their minds. Mr. Hammell hoped it was clearly defined. He thought they were following with the recommendation of NESDEC. They had clearly defined several scenarios and they had agreed on at least one of them. Mr. Hennessey wanted to know everything. It was a big decision; it changes their whole town's education system.

Mrs. Vitale wanted to know why they just couldn't move forward with just the middle school and forget about the other half. The time was right and then they could worry about consolidating schools or reconfiguring grade alignment. Mr. Serio stated they could move forward with this plan with the 5-8 configuration for just the Middle School students and exclude the Academy from being included in the building.

Mr. Hibbard stated he needed a resolution on the grade configuration because it was too big an adjustment to make over the next year. There was discussion on whether Carbone was part of the middle school project and whether the

courtyards would be affected. Mr. Martorella stated the courtyards would be an issue. There was discussion on some aspects of the building. There was further mention of the Academy being left out of the mix and in the long-range plan find a new home for it. Mr. Hennessey wondered why they were going to do the roof at the Middle School if they were going to do the whole place. Mr. Martorella stated that the State recommended that. Mr. Hibbard explained that the solar panels did not take up too much space and they were very efficient.

Mr. Martorella felt he should take the blame for any delay on this particular project because the size and scope of it was beyond his comprehension, experience, and his ability. He stated the educational specification he gave them last week was a piece of “junk”. Both Mr. Hibbard and Mrs. Raymo had been very helpful and enlightened him. He showed the Board the educational specification for Derby which was about 65 pages and North Branford’s was about 58 pages. Mrs. Raymo had informed him they wouldn’t be reimbursed for anything that wasn’t in the initial specifications. Because of new laws and budget crunches, they were getting tighter with the money they give out.

Mr. DeNuzzo asked what the ed spec encompassed. Mr. Martorella explained it was your plan, mission, beliefs, strategies and action plan. It contained why you need the project; enrollment and your projections etc. Mr. Hennessey did not understand how they had figured it all out. He didn’t believe it, and he thought there were a lot of details to be worked out. NESDEC did not say they just needed a Middle School; this school was underutilized; there were issues town wide with their facilities before they spend \$40 million.

Mrs. Vitale stated it was up to Mr. Serio and his staff to come up with that. Mr. Serio stated they had also said it was not something you could do all across the board at once. When Mr. Hibbard was talking about a timeline, he was thinking they could currently use some capital improvement money to carry them through the next three years. **He was concerned with projects that needed to be done such as the heating and air-conditioning and the repairs for security and fire alarms. He wanted to make sure they were in compliance while these projects were going on. He would like to talk about this at the next meeting.**

Mr. Serio asked if he needed portables for temporary placement of students, whether it was included in the building cost. Mr. Hibbard did not believe they were reimbursable. Mr. Martorella stated they changed the law and they were reimbursable.

Mrs. Vitale stated they had mentioned the courtyards earlier. There was one that was dedicated to someone and supported by a foundation. Mr. Hammell stated they could not hold up the whole project. Mrs. Vitale stated it was something they had to look into. Mr. Martorella would vote to leave it alone.

There was discussion that they had a six week window and so far had half a page presented to them. Two districts had about 60 pages of reports outlined from soup to nuts. They didn't just spend a week or two digesting it, but spent months looking at it. There were so many things in the report and they needed time to digest it and understand it. They should all sit down and have several meetings on this. It shouldn't just be decided in six weeks and vote yes or no. It was a big, big decision. They represented 28,000 people in this town and they had to do it right.

Mrs. Vitale felt that was why they had a superintendent and certified central office staff to put it altogether and bring it to us. Mr. DeNuzzo did not feel they could digest a 60-page report and all agree on the kind of money they were going to spend on a project of this size and nature. This was not just an addition.

Mrs. Vitale stated that all they needed were education specs. As far as the construction, that was not the Board's job. It was the School Building Committee who went through the construction process. Mr. DeNuzzo stated they were the elected officials and needed to feel comfortable that they were doing it for the betterment of everyone in town. Mrs. Vitale stated it was handled by the School Building Committee and they just approve the concept and everyone else has to make it work.

6. Any other discussion that might rightfully come before this subcommittee.

Mr. Finkle asked about the terrazzo floor in this building and the lawsuit that he believed had been settled. Some money had gone to the Town, but he wasn't sure exactly how much. He would like to know if it was solved, what the timeframe for getting the floor fixed was. He would like to see it start to move forward.

Mr. Mauro spoke about the minutes from the last meeting and he wanted to clarify a couple of things. They had the bid opening today on the solar panels and roofing projects – he thought they might like an update on that. He stated when the project was originally put together, it was based on estimates that were given to them and that number was \$9.5 million. They hired Tom

Hibbard and went through the process and had a bid opening today. The total project was \$5,173,000. That money was not bonded. That was just the bonding authorization which was part of the procedure. You had to actually do the bonding authorization for the full amount and when you were reimbursed from the State comes off of that, the amount that was not reimbursable that was the only amount that got bonded. For the roofing and solar panels project the amount of \$5,173,000 that came in, \$737,000 of that was committed to us by the Clean Energy Fund. The State would reimburse about 67% for the roofing projects. When all was said and done, out of the \$9 million, the only thing bonded at the most was \$2 million.

Mr. Hammell said he thought he said \$5 million. Mr. Mauro explained that the project came in at \$5 million as far as the bid. However, \$737,000 they will get from the State for the Clean Energy Fund, which the piece of the photovoltaic that came in was \$1,521,000 so approximately 50% comes from the State. So after that the \$2,482,000 comes from the State Construction Grant. The only thing bonded was a little bit less than \$2 million.

Mr. Hennessey asked about the solar panels and if next year they would start to see a savings in the electricity. That could affect their budget. Mr. Finkle stated that that was like \$200,000 or you said 100% of the electricity costs. That's what's on the sheet. Mr. Mauro stated you could never achieve a 100%; you would have to have a massive system. Mr. Hennessey stated that that sheet said our electricity was going to be free. Mr. Mauro said it could never happen. Mr. Hennessey stated he knew it that night. Mr. Mauro asked that they show the sheet to him. He said show it to him and he would give him his Mercedes.

7. ADJOURNMENT

Mr. Hennessey asked for a motion to adjourn. Mr. Inglese made a motion to adjourn and it was seconded by Mr. Finkle. The meeting adjourned at 9:20 p.m.

RESPECTFULLY SUBMITTED,

**MR. THOMAS HENNESSEY, CHAIRPERSON
FINANCE SUBCOMMITTEE**