

MINUTES

Board of Finance and Town Council Finance Committee

Board of Education Budget Hearing

March 11, 2013

CALL TO ORDER

Chairman Elaine Hammers called the budget hearing meeting to order at 7:15 p.m. at the Town Hall, Trumbull, Connecticut. All those present joined in the Pledge of Allegiance.

PUBLIC COMMENT

There was no public comment.

Board of Finance Members:

PRESENT

Elaine Hammers, Chairman
Paul Lavoie, Vice Chairman
Cindy Penkoff, Alternate
Tom Tesoro
Andrew Palo
Susan LaFrance, Alternate
Vincent DeGennaro, Alternate

ABSENT

Steven Lupien
Dave Rutigliano

The Town Council Finance Committee did not have a quorum.

Also present: Maria Pires, Director of Finance; Ralph Iassogna, Superintendent; Dr. Cialfi, Assistant Superintendent; Shawn O'Keefe, Business Manager; Stephen Wright, Chairman, Board of Education; Debra Herbst, Vice Chairman, Board of Education; Dr. Robert Tremaglio, Principal, Trumbull High School; Cathy Hilser, THS Guidance Department Chairperson; Dr. Linda Paslov, Curriculum Director; Michael T. Herbst, Athletic Director; Jane Deyoe, Town Council Finance Committee; Vicki Tesoro, Town Council Finance Committee; David Mathieu, Town Insurance Consultant; Steve Rinaldi, BOE Insurance Consultant.

Cathy Hilser, THS Guidance Department Chairperson, spoke regarding the 2 guidance additions.

- She indicated that we tend to think of guidance counselors as being college advisors whereas a large portion of the time spent by guidance counselors has to do with mental health issues.
- There is currently only one social worker assigned so it falls to the guidance department to pick up the overflow. And the State is putting more and more pressure on counselors to spend more time with students.
- They are trying to personalize the experience by having students meet their counselors in the beginning of freshman year.
- Technology plays a large part – Although college applications can be completed on line counseling the students who are applying to different colleges, as many as 20, can take up the greatest amount of time. Families think that once the information is sent the updates should be immediate on the web site and they start calling the guidance counselors.
- The counselor to student ratio recommendation is 1/250, and we are below. You really need to look at what other services are being offered to provide assistance. For example, we only have one social worker. Some schools have designated college guidance counselors, whereas we do not, and 90% of our students go to college. If you have a good working relationship with a college it makes it easier for our counselors.

- It would be more beneficial to have another guidance counselor, not a social worker, since the counselor is the first line of defense; the one the parents and children have been working with right along and trust.

Michael Herbst, THS Athletic Director with Joe Kiesavitch spoke regarding the playing fields:

- Tested the astro turf on the football field for safety and it is in the danger zone; we will not be able to use it next year. It is currently 11 years old.
- Proposal for another turf field where the soccer field presently located.
- Proposal for tennis court; 6 inch concrete with tie-rod construction; guaranteed for 20 years We have a preliminary figure but feels he can do better. Currently we are filling in the cracks as you would with a driveway
- Track – We did not complete the D zones at the time the track was put in; would like to asphalt and grade; water seeps under the rubber layer and is breaking the seal with the asphalt below.
- There would be a cost savings of 10% on the site work do both astro turf fields at one time, since you would bring machinery in only once.
- Best choice for wear and tear is a hybrid product known as Legion; combination of slick film and monofilament.
- The safety record for Shaw is that it has the best safety record in the NFL over the last 10 years; however, you need to call them in order to verify.
- Warrantee for 8 years; should get at least 12 years since New England has low UV rate and it is not being used all year long due to snow.
- Company believes that astro turf should mimic or surpass the very best natural grass fields. All fields must surpass the FIFA standard.
- The final proposal with have the fine-tuned numbers and will have to go out to bid eventually.

Steve Rinaldi, the BOE Insurance Consultant and David Mathieu, the Town Insurance Consultant, spoke regarding self-insurance. It was noted that noting that the BOE budget presented to the Town assumed a fully insured plan.

Steve:

- The school district plan is currently \$15 million and is overwhelmingly driven by the costs determined by the claims experience of the employees.
- The self-insured coverage we are looking at provides stop loss coverage.
- Savings will be realized in the 8%-10% range.
- Initial stop loss level is 10% over expected claims.

David:

- The Town looked at the same thing; however, they are not as large as the BOE and looking at a more conservative approach so we can build up reserves.
- We do get Anthem discounts since we do have insurance with the school and Town.
- Employees will not notice the change; they will see the same plan as with Anthem; they will get a new ID card.

Steve:

- We use the same process as the insurance company to establish premiums; however, you then establish a bank account and you pay the claims out of bank account as providers are reimbursed.
- Fully insured \$175,000; rest on insurance company aggregate stop loss program 10% of the expected claim.
- If town is less, when combined with the school, would be less expensive.
- Corridor of risk is \$1.7 million.

If we don't have a reserve, could we come up short 1.7 million? No, we would budget as though we are fully insured. School would have to put in to the Town reserve and it could be built-up over one year.

- It is becoming more and more popular to self-insure.
- Savings are compelling; however, funding the corridor is the drawback.
- Anthem is providing a 1/10 aggregate. Savings used to be 6-7%; now there are 3 new assessments putting another 4% on top of the 6-7% figure.
- \$125,000 stop loss on the Town side.

Mr. Iassogna indicated that Technology has already been addressed by Mr. Hackett. Mr. DeGennaro met with Mr. Hackett and Dr. Paslov. Mr. DeGennaro spoke to the Board:

- Proposals are in-line with state funding requirement.
- Consistent with the Gibson Report.
- Will reduce old equipment.
- Will eliminate inefficiency.
- Need to consider "refresh" money; after 3 years you will wind up with aging of more machines.
- THS needs have already been addressed; this has to do with the elementary schools.
- We should be bonding longer-term life expectancy:
 - Bonding recommendation: \$ 771,000
 - Operating budget: $\frac{574,000}{\$1,345,000}$
- The concern is can you get all this done within the budget cycle.

Mr. Iassogna indicated that the following new initiatives will move this forward:

- Project Catapult
- Critical to this is class size and support services
- To insure that we operate in a secure and safe manner
- When we add 2 guidance counselors, the net change to personnel is a decrease of 3.76 in staffing.

Given the budget amount of \$94,824,731, how much of a reduction from this dollar figure can we keep the status quo. Mr. Iassogna indicated that given the specifics, after a reduction of \$900,000, we would then be cutting into staff and programs. If we left \$900,000 then the BOE would be ok to leave staff and programs.

The Board of Finance can now vote to transfer this to the Board of Education to be spent as they see fit. We cannot tell them how to spend it. They might use the \$874,000 this year or next year. Once it is gone, if there is a surplus again, it does not mean that future Boards will give it to them.

It was mentioned that we should think about holding off until the State and Federal government determine how much they will contribute towards security.

We do have a replacement plan in our budget each year; however, it is cut every year. To keep up despite cuts, we have been updating the machines; no replacements; no capital project since 2005-2006. Upgraded infrastructure and sustain communications with those funds.

The technology staff will be allocated for new installation, since right now they are spending a lot of time on repairs. It would be possible to keep things up-to-date with \$100,000 a year.

Once we do a bond we like to see it maintained; there must be a way to find \$100,000 a year to keep technology up to date.

- Next year, we have teacher evaluations, and new core curriculum; funding the \$100,000 will not be easy.
- We also have bargaining coming up and we never know how we are going to come out of this.
- We need additional information and data before we can take action.
- Over the last 6 years we have had a surplus.
- It is costing the children quite a bit to attend events; the BOE cannot fund them for the kids; can't deny them the opportunity.
- Technology funds have been coming in over the last few years from different sources. We were doing computer labs at that time.

The Gibson Report – recommended not issuing waivers for people to opt out of our insurance plan. The BOE indicated that if we don't issue waivers, people would sign up for our insurance and it would cost more than if we continued to issue waivers; does not have to do with self-insured. If we are self-insured, we want less people.

It was noted that the staffing level changed last year after the budget process was over. After the budget process last year, we needed to added school teachers, which is the figure we used to determine the net position change this year. It was 3.76 on the e-mail and it is actually 1.76.

Since salaries are such a large portion of the budget, we have a turnover account in anticipation of those that might retire. When budgeting for substitute teachers we do not include both the teacher and the substitute teacher in the figure.

There will be a reduction in the request for increases; but it may not be what they think. There will definitely be cuts in the budget request; however, we don't know where. Costs continue to go up, so it is difficult to know what those cuts will be.

They are in process of creating a core curriculum. There are 23 states involved, and Connecticut is one of them. This will provide for a common thread of knowledge at certain levels and at each grade standard in results is expected. The mastery tests cut down on redundancy at different grade levels. We are now in the loop with international countries.

- We are making the transition from the old standards to new assessments.
- National curriculum is about ½ using the standard system.
- 46 states have adopted this.
- We need to make it our own; update materials and curriculum tools.
- We are still tweaking the curriculum.
- Currently, we are teaching the teachers.

We need technology and the infrastructure to get to a level place. This Board will certainly give it consideration; we have not been able to give you what you asked for, but you have certainly used what we have given you.

The meeting was adjourned by unanimous consent at 9:40 p.m.

Respectfully submitted,

Phyllis Collier
Board of Finance Clerk