

East Lyme Board of Finance
Special Meeting
March 28, 2013

Present: Raymond J. Hart, Chairman
Camille Alberti
Steven J. Kelley
Lisa H. Picarazzi
Stephen F. Harney
Steven J. Carpenteri

Also Present: Anna Johnson, Finance Director
Paul Formica, First Selectman
Dr. Lombardo, Superintendent of Schools
Tim Hagan, Chairman of the Board of Education
Don Meltabarger, Finance and Facilities Director
Kelly Seals
Carolyn Nee, Board of Education
Judy DeLeeuw, Principal of East Lyme Middle School
Robin McKenny, Tech Coordinator
Candice Carlson, Board of Education
Tim Hagen, Board of Education
Jeff Provost, Assistant Principal of High School
Mike Sullivan, Assistant Principal of High School
Linda Anania, Principal of Flanders School
Melissa DeLorita, Principal of Niantic Center School
Nancy Burdick, Head Accountant of Central Office
Mike Susi, Principal of High School
Jason Bitgood, Assistant Principal of Middle School
Brian Reas, Assistant Superintend

A. Call Special Meeting to Order. Chairman Hart called the East Lyme Board of Finance Special Meeting of March 28, 2013 to order at 7:00 p.m.

B. Pledge of Allegiance. The Pledge of Allegiance was observed.

C. Public Delegations. There were none.

D. New Business

a. Budget Reviews

Board of Education. Tim Hagen, Chairman of the Board of Education, stated he appreciated the challenges of this Board to meet the needs of the Town and costs to residents.

Dr. Lombardo made the attached presentation to the Board of Finance. He asked that Board of Finance members visit the new Athletic Complex which is a tremendous addition for the community.

After the Newtown tragedy, he was proud to see team work between the Town and school district in improving the safety of our schools. He has had an opportunity to speak with the Superintendent of Schools in Newtown and it has caused us to rethink our procedures to keep our children safe and secure while maintaining a sense of joy.

He stated over the past three years the school district budget has increased by approximately 1.3%. Special education costs have decreased by limiting out sourcing students. Our long-range plan is to have a full day kindergarten. The standards have increased for kindergarten students and teachers are unable to reach those expectations unless they have the students for the entire school day. The Board of Education feels we should adopt a full day kindergarten. To add an additional one-half day kindergarten is expected to cost \$424,475. Our additional request in our budget is to support and implement state mandated requirements. He has enjoyed his partnership with First Selectman Paul Formica on working together on many projects. As we drafted our budget, we have identified priorities. Money has been earmarked for school security. We are being required to have teacher and principal evaluations.

One of the reasons people want to live in East Lyme is our school system.

Mr. Kelley referred to repair and maintenance and asked for a priority list.

Mr. Kelley referred to code compliance which is three times the cost of last year and asked if a survey has been done on what is needed and if it should be a capital item. He asked if there were grants available for asbestos abatement in public schools. Dr. Lombardo stated our budget is a plan. There are only certain items we can make a decision not to spend. Next year the cost is being driven up by \$18,000 for carbon monoxide detectors which the Fire Marshal has recommended. He agreed to provide a complete list to this Board. Dr. Lombardo stated we only have \$500 for asbestos abatement. Mr. Meltabarger this has been only necessary for floor tiles and in closets.

He was asked to report on board certified teachers. He replied there is 63% remaining in this year's budget. Over the last few years we have had a significant number of long term medical leaves. We have replaced retired teachers with younger teachers and several have had babies. Some teachers have also become ill.

He was asked for an explanation of \$452,786 spent more than budgeted. Dr. Lombardo reported this was money received back from the state in excess of cost revenue.

Mr. Kelley asked for an explanation of a decrease of \$52,000. Dr. Lombardo informed him our special education program was decreased by \$47,000 in transportation costs. We now have programs in East Lyme.

Mr. Hart asked for an explanation of special education enrollment. He was informed we have three tuition paying students.

Ms. Picarazzi referred to Niantic Center School costs and compared them to all other schools and felt the cost was excessive. Dr. Lombardo stated we have been looking at facilities in our elementary schools which we will make a presentation on. It is very emotional for those individuals who have attended Niantic Center School. The subcommittee has made three recommendations: 1) to maintain and renovate the three schools; 2) eliminate Niantic Center School and 3) build a new elementary complex which would include all elementary students.

Ms. Picarazzi felt this has been prolonged quite a while. Niantic Center School has the highest cost per student. She asked how often does the task force meet? Dr. Lombardo replied we have met monthly. The question is whether or not one school is feasible.

Ms. Picarazzi asked whether the task force would be able to make a recommendation in April? Dr. Lombardo replied the school board has the data and the pros and cons.

Ms. Picarazzi asked if she could be given detail of the teacher evaluation process. You evaluated both options and eliminated the pilot program. The cost is \$133,000 for a part time clerk and software. She was informed Waterford is one of the seed districts. They have formally observed a teacher three times and informally three times. Mr. Susi stated this is 60 days out of the school year to take care of that portion of the job. \$70,000 is the cost to have a individual to assist. Ms. Picarazzi asked if the load could be shared by contract personnel? Dr. Lombardo felt it could. This has been an imposed program in such a short time. Every administrator feels it is absurd.

Ms. Picarazzi asked is this required in 2014? Dr. Lombardo replied one-third of the teachers evaluations are required next year and 100% the following year.

Ms. Picarazzi asked how many hours does \$70,000 cover? Dr. Lombardo replied the cost is \$500 per day because you need a certified administrator.

Ms. Picarazzi asked why are insurance costs going up since you went to a new carrier? Dr. Lombardo replied we went to a new carrier after we adopted our budget. CIRMA increased by \$28,000 and we need to carry it over to next year. Mr. Formica added we have a three-year contract with a guaranteed rate over three years. This is Worker's Compensation Insurance.

Mr. Hart referred to an increase in insurance transportation plant operations. Dr. Lombardo replied this is a decrease. Mr. Hart felt when you combine transportation the total is down but that specific is up \$20,000.

Mr. Harney stated his concern while looking at classroom sizes. He asked is there a better model for projecting enrollment? Dr. Lombardo replied they are mid-range estimates based on past history not what projects Zoning is working on. We are planning next year in terms of class sizes. We try to have smaller class sizes in the younger grades.

Mr. Harney noted pension for non-certified has increased by \$30,000. Dr. Lombardo this is a program East Lyme has available to employees. We have a significant number of individuals who are retirement age. This is our share for individuals who are in it next year.

Ms. Johnson added it is the age of an individual on the Board of Education side. We have an actuary report, and it is determined who has to fund what.

Mr. Harney stated since you have switched to natural gas why are there expenses for oil? Dr. Lombardo replied Flanders and Niantic Center School and his office cannot use natural gas and it was necessary to purchase oil at a cost of \$3.30 per gallon. He added we also have reclaimed some oil. Last year we saved \$300,000 by using natural gas. We went out to bid on electric and saved.

Ms. Alberti asked will you have a full day kindergarten? Dr. Lombardo replied if everyone has a successful program, it will continue the following year. She asked will we receive any money back? Dr. Lombardo replied only from ECS. We are reducing transportation costs by implementing it. She asked if in the event the Board recommends a reduction, what will you reduce? Dr. Lombardo we have a group of administrators and teachers that have worked ten full days to put together a plan for the state. We may have to make a decision regarding technology. This is based on individuals leaving the system. We have reduced costs to keep full day kindergarten in our budget.

Mr. Carpenteri asked why rental has increased by 18 1/2%? Dr. Lombardo replied two areas are covered under this lease. The cost has increased \$39,000 on the first year's payment. In the previous two years we purchased \$150,000 and financed it over five years. Now we are proposing \$150,000 financing and adding \$45,000. He added that we have increased property rental by \$5,000. In Technology there is an increase of \$26,656 in the purchase of a lease and repairs due to the lease on the third year.

Mr. Meltabarger added this a rental lease for telephone and Coastal Connections. Dr. Lombardo agreed to present a full breakdown of all the rental line items and present it to the Board as soon as possible.

Ms. Picarazzi asked do we receive rental income? Dr. Lombardo replied we receive \$57,000 from LEARN.

Ms. Picarazzi asked how lunch money is handled? Dr. Lombardo stated the lunch program is not supported by us.

Mr. Kelley asked why you are requesting roof replacement for a concession stand in the amount of \$5400? Mr. Meltabarger replied this is for the baseball shack. Mr. Kelley asked why this is necessary since we are having new restrooms and a concession stand. Mr. Meltabarger replied this is for maintenance equipment for the fields. It is not a concession stand.

Ms. Picarazzi noted the turf field has increased by 2.5%. Mr. Meltabarger replied this is for custodial salaries. Ms. Picarazzi stated when we supported the turf field you informed us you will be reducing maintenance costs. Dr. Lombardo replied this is to line the fields, seed them and re-sod. Ms. Picarazzi stated this Board was informed it would require less labor. Dr. Lombardo replied we are now able to reallocate staff to take care of it. There will be less costs for materials and contracted labor. He agreed to provide a detailed list of ground supplies and to demonstrate, financially, how we are reducing maintenance costs, due to the easier upkeep of the new turf field.

Ms. Picarazzi noted textbooks have increased by 15%. Dr. Lombardo replied this is a per pupil expenditure that teachers use in the classroom. The total cost for this for next year is the same as budgeted for this year. We are replacing textbooks.

Mr. Harney stated you have provided this Board with a monthly statement. Do we have a surplus this year? Dr. Lombardo replied we have reduced electricity costs by \$100,000 and have expended more in security and kitchen equipment. He expects to return money by the end of the year.

Mr. Harney stated two-thirds of the Town's budget is for education. Unless we have a significant emergency we are in a surplus through January. We have savings in special education by teaching them within the school system. The state is keeping ECS funds a mystery. Dr. Lombardo reported other than teacher's salaries all the remaining costs are pupil expenditures. Teaching supplies have been reduced by 13%. Regular education has increased by \$6,700 which includes classroom teacher's salaries.

Ms. Picarazzi noted that legal costs have increased by 25%. Dr. Lombardo replied we have five legal cases and we need legal defense.

Mr. Hart asked what are your needs for full time kindergarten? Dr. Lombardo replied we will need five additional teachers. The first year we will need an aide to help the kindergarten teacher. Mr. Hart asked for an explanation on health and nursing. Dr. Lombardo stated we have a contract with the Visiting Nurses. We now have a medically fragile program. We have a 10% increase.

Mr. Hart asked for an explanation of new revenue. Dr. Lombardo replied this is tuition from Salem. They have regular tuition and are making up from two years ago. This is an increase of \$167,000 from Salem. The other increase is from ECS based on figures from three months ago. Another area is cost reimbursement for student programs. It is one of our special programs. We are attempting to offset the cost of outside placement. With Coastal Connections we want to cover East Lyme youngsters.

Mr. Hart noted Niantic Center School enrollment continues to decrease. Maintenance costs are \$500,000 for an old building. He recommended relocating students to save on operating costs. Dr. Lombardo felt the movement to a single complex would be substantial. We have been very thorough in terms of exploring our options. The Board of Education will decide how to proceed. To raze any building, the cost is approximately \$1.2 million, Does the Town want to use the property for other purposes? Dr. Lombardo is working with Mr. Formica and the 20/20 Committee.

Ms. Picarazzi stated teacher evaluation is mandatory but a full day kindergarten is not. Dr. Lombardo agreed.

E. Public Discussion. There was no discussion from the public.

F. Board Comments. There was no further discussion from the Board.

G. Adjournment.

MOTION: Ms. Picarazzi moved to adjourn the March 28, 2013
East Lyme Board of Finance Special Meeting at
9 p.m. Seconded by Steve Harney. (6-0) Unanimous

Respectfully submitted,

Frances Gheri
Substitute Recording Secretary