

Town Council Work Session with School Committee
March 30, 2015 - 6:00 PM

Present: Vice-President Kerry McGee, Councilwoman Carlson, Councilwoman Duxbury, President Shibley, Councilman Laboissonniere, Town Manager Thomas Hoover, Town Solicitor Nicholas Gorham.

School Committee Chairwoman Patenaude, School Committee members Ann Dickson, Donna Kalunian, David Florio, James Pierson, Superintendent Michael Almeida, Solicitor Katie Duncanson, Finance Director Michael D'Amico, Finance Controller Bridget Almon.

Pledge of Allegiance
Review of Emergency Evacuation Plan

Dr. Almeida advised that his presentation allows an opportunity for everyone to review details of the programs, services and initiatives outlined. Expenses have been categorized, with the highest percentage in personnel at \$45,550,000, SRP support professionals at \$7,364,000, followed by transportation, out of district tuitions, utilities, etc., resulting in very little discretionary funds.

In summarizing FY 16 anticipated expenditures, Dr. Almeida remarked that great efforts were made last year during the budget crisis in working with the unions. This year there is an increase of about \$400,000 due to a 2% raise for certified staff. In addition, for those eligible, we expect to spend about \$225,000 in severance packages. Healthcare inflation will cost about \$285,000. Savings from healthcare and other fringe benefits due to give backs and concessions represented a savings of \$350,000. There is an increase of 1.5% in school related personnel salaries (\$100,000) and we expect a staffing reduction of two elementary teachers, a savings of \$150,000.

Out of district tuition increases are at \$63,000 and although we saved money last year on transportation, there will be a \$105,000 contractual increase next year. Technology and textbook expenses are estimated at \$140,000, mainly due to an \$83,000 expense for science kits and a recently purchased new math series with a 3 year lease purchase for our elementary schools.

We have added a cost of \$137,000 for ROTC. Currently we have one teacher for that program. If we hire an additional teacher, it will add \$137,000 to the budget. We have asked for a waiver to run the program with one teacher, but the Air Force will not grant it. We have anticipated an SRP pension settlement of \$250,000 and an RTI administrator at \$115,000.

Raises for school administrators average 2% (\$53,000). These raises are for very competent and successful administrators in the district whose jobs have become much more difficult over the last few years and they have received no raises.

There has been \$15,000 budgeted for high school athletics (lacrosse and girls hockey) and \$23,000 for achieve licenses. President Shibley asked for clarification of achieve licenses and Dr. Almeida explained that currently we have 200 licenses for a nationally recognized research based program teaching kids to read. We would like to increase that number by 250 licenses at a cost of \$23,000. These are licenses that you purchase allowing students to actually log into the system. We currently have 200 licenses, so 200 students can log on. We want to increase that to 450.

There is a Statewide transportation cost for EWG Career & Tech students, a cost of about \$16,000 to transport kids from Exeter to Coventry. However, if we do not provide that transportation, those kids would then have the option to go to Chariho. By not providing the \$16,000 bus, you could lose a \$17,000 to \$18,000 tuition x 7 or 8 students.

Other miscellaneous items make up another \$45,000. bringing in a total budget of \$1,522,000. We have requested \$722,000 from the Town as we expect to receive \$800,000 in State Aid. Due to an increase in state aid, yet with no increase to the taxpayers, are a truck with plow at \$39,000; science kits at \$83,000; software licenses for the middle school at \$23,000, Athletics and clubs at the middle school at \$66,450, High school varsity athletics at \$45,000, \$250,000 for JRROTC; RTI Administrator at \$115,000, Administrator raises of \$53,000 Lacrosse & Girls hockey at the high school \$15,000.

The \$97,500 reduction in the superintendent supplies is just a shift from this line to another and is not a real reduction. Business Services represents an additional support to the finance department at \$50,000; substitutes at \$406,902 is what we were spending in the past, it just was not budgeted this way, now you are seeing actual to actual. There has been a \$103,000 reduction in building upkeep/custodians, which was reduced last year and this is the end result. There is a shift in the way we are budgeting out of district tuition, and are trying to show you the budget to the actual,

\$587,000 is actually what we have been spending and lastly a total reduction in benefits of \$138,000 (\$60,000 in life insurance and \$78,000 in health insurance).

Absent from and not included in the proposed budget is an approximate cost of \$1.4 million for full day kindergarten, which we plan to implement next year. Currently there are only three districts in Rhode Island that do not have all day K. The State, in FY 17, will help fund all day K and we will receive \$800,000, leaving only a \$600,000 cost locally due to that offset. By holding off one year it does not put us in a position to ask for the \$1.4 million.

With regard to the pre-school reconfiguration, we were just audited by RIDE and they made it very clear that we have to look at our program and see how services are delivered. Going forward this program will be taught by regular education teachers and we will have to provide service and support in those classrooms. At the end of the day, the requested \$722,000 increase is primarily based on the SRP pension and ROTC, making up about 2/3 of that \$722,000.

Councilman McGee asked for a clarification between the \$250,000 mentioned for ROTC and the \$137,000 budgeted. Dr. Almeida responded that the total cost of the program is \$250,000. The \$137,000 figure is the difference between this year and next year. We only have one teacher this year. The Air Force requires two and won't give us a waiver. We have only 60 students now and to continue the program to next year we would need to have 100 enrolled. He feels that recruitment of 40 additional students between now and September would be very difficult, especially when you are asking students to come from another school district to ours, leave their friends and travel further away from their family. President Shibley asked when the deadline is to let this program go if you do not get the 100 students that you need to continue? If the Air Force pulls out of the program because you can't get the numbers, does that \$250,000 become maintenance of effort? Dr. Almeida replied that it does. President Shibley understands but feels that is wrong and if the program ends the money should come back to the town.

Councilwoman Duxbury asked if any savings on utilities were factored in due to the energy bond. Finance Director D'Amico advised that the school department is paying a percentage of the bonds and the savings we achieve are within \$5,000 of the cost of the bond. We put in neither the cost nor the savings because they offset each other.

Councilwoman Carlson asked how we are doing with Chromebooks and Dr. Almeida responded that things are going fairly well, we expect the books to last us three years. We may need to replace some books due to breakage, repair, etc, but we have insurance and have worked with those families that needed to get chromebooks fixed.

President Shibley asked about severance and the number of teachers planning to retire. Dr. Almeida advised that these teachers haven't really retired early, but have had enough time in service to take the incentive package, access it and retire. He thinks fourteen people will retire this year and maybe eight or nine next year. You will see similar expenses next year when the next wave of those people access the opportunity.

Councilwoman Carlson asked about the individual vo tech programs and Dr. Almeida's information is not complete and he will provide it at the next work session.

Discussion took place on the purchased services analysis. Dr. Almeida explained that they have to budget per RIDE requirements, many things are listed as purchased services, but not clearly spelled out as to what it is. This listing outlines items so that you can see where they fall and how the money is being spent.

Councilman Laboissonniere remarked that there are discrepancies within the budget and he sees a lot of fluctuation from 2014 to 2016, doesn't know if it is by natural occurrence, some things might just skip a year, or are in different allocations or categories. Dr. Almeida pointed out that the 13-14 column was actually what was spent; 15-16 column is much closer to 13-14 actual than the 14-15 budget. Further information will be provided on purchased services at a work session if needed.

Dr. Almeida advised that each year students' IEPs are reviewed and a decision is made for the following year, some students continue to need services until the age of 21. When services in district are unavailable the student is placed out of district. The town is required by the state to provide to students services based on their IEP. Evaluations are done, reviewed and a decision about the type of services the students need is made. A student may move into the district that is already in an out-of-district placement and almost immediately we get an expense of \$60,000. If Coventry public schools cannot provide services needed, we will look for another location for that student; some being charter schools and some are DCYF placements.

Councilman McGee questioned the staff reduction of two teachers in elementary school and

the mention of about fourteen teachers retiring, are you saying you will be looking to hire twelve? Dr. Almeida replied that we have some teachers on layoff that could be recalled and it's possible the money would be there to hire the other twelve. There is a big 5th grade class but the 4th grade going on to the 5th is actually one whole class less, needing one less teacher. When those kids get to the middle school, the middle school can absorb them without additional staffing.

When asked if the schools would still be purchasing textbooks or the purchase of textbooks, Dr. Almeida said yes, there will always be books.

With regard to all day kindergarten, towns will not be required to have full day kindergarten in 2016. In FY 2017 full day kindergarten will cost \$1.4 million and the state will come up with \$800,000. The cost to the town will be \$600,000. Included in the \$1.4 million, nine additional kindergarten teachers will be hired.

Manager Hoover stated that he does not recommend what Dr. Almeida is requesting. Dr. Almeida had previously indicated that the school department would project no increase in their request and was a little surprised that this was contrary to what was said at the last joint meeting.

Manager Hoover indicated in the SRP discussion that he would want the town to pay the entire annual required payment for the SRP settlement should that settlement reach fruition. Where Dr. Almeida has \$250,000 in his budget, it was recommended that the town actually pay his \$212,500 share of what is really a \$425,000 annual estimated payment. By keeping the \$212,500 of their portion of the SRP settlement on the town side it does not become maintenance of effort and we cover both the town and school. That's a total of \$387,500 from the town side not \$722,000. .

Dr. Almeida advised, that if the town absorbs the SRP potential resolution expense our request would decrease by \$250,000. Concerning staffing changes, the school department will hire people on lower steps and will be staffing to state mandates and collective bargaining agreements.

Several years ago the town voted to eliminate the self-insurance fund and we have been taking on both the town and school side of what was designated to pay for portions of the premiums on workers compensation. We have been paying it out of the remaining amount allocated by the council at that time. FY15 is the last year we will be able to do this. The money is gone. We have been giving the school department \$175,000 out of the self-insurance fund. Next fiscal year and every year after the funds are scheduled to come out of the general fund.

Discussion took place between Solicitor Gorham, Attorney Duncanson and Dr. Almeida with regard to the \$283,000 lease for chromebooks and whether or not it is recurring or non-recurring lease, and whether or not it would be maintenance of effort. Dr. Almeida explained to Solicitor Gorham the annual appropriation for the google chrome books is \$ 283,000 per year and the lease is considered recurring and part of maintenance of effort because it's not a one-time expense.

Solicitor Gorham stated that the lease is finite, for three years and a non-recurring lease payment is not considered part of maintenance of effort. .

Atty. Duncanson believes that because it is not a one time expense and the intention is an additional lease in the end to replace all the chromebooks, then it would continue and the appropriation is recurring.

Dr. Almeida explained it's fixed in the budget and we proposed at the time that I made this presentation that we would have a cycle of a three year replacement and therefore would go out to bid once every three years and refurbish the chrome books. The appropriation was initially made for technology purposes and we decided to do lease payment for chrome books because it was the most cost efficient. It was always intended that this amount would be put forward and that we would need it on a continuing basis, it was always intended that it would roll forward.

Atty. Duncanson remarked that that these chrome books at the end of three years will need to be replaced. That lease payment will be recurring. The chrome books will be different but the lease payment will continue for the new set of chrome books. It's not a one-time purchase and then that piece of equipment outlasts its lease.

A motion was made by School Committee member Florio seconded by member Kalunian to adjourn meeting. All voted aye.

A motion was made by Councilman Laboissonniere seconded by Councilwoman Carlson to adjourn meeting. All voted aye.

Town Clerk