

MANCHESTER BOARD OF EDUCATION

BUDGET WORKSHOP

Wednesday, February 1, 2017

6:00 p.m.

Manchester High School – Room 293

PRESENT: Caldwell, Conyers, Hagenow, Jacobsen, Pattacini, Thames

ALSO PRESENT: Superintendent of Schools Geary, Deputy Superintendent & Special Services Radikas, Director of Finance & Management Clancy

ABSENT: Leon, Scappaticci, Stefanovicz

A. CALL TO ORDER

The meeting was called to order at 6:00 p.m. by Deb Hagenow, co-chair of the Personnel & Finance Committee. She noted this was the third budget workshop.

B. PLEDGE OF ALLEGIANCE

All in attendance participated in the Pledge of Allegiance to the Flag, led by Ms. Hagenow.

C. OPENING REMARKS

Ms. Hagenow noted that Mr. Leon, co-chair of the Committee, was unable to attend this evening.

D. SUPERINTENDENT'S BUDGET PRESENTATION

Mr. Geary had previously presented his recommended budget of \$114,110,227, which represents a 2.9% increase over the current year's budget of \$110,897,460. This evening Mr. Geary was prepared to answer questions previously submitted by Board members as well as those submitted by members of the public.

Mr. Geary pointed out that the summer program, SAAM, is not included in the Board budget as it has been funded by the Alliance Grant in the past. At this point, Mr. Geary is unsure if SAAM will run without Alliance Grant funding.

The first question sent by a Board member was concerning the Board's obligation to contribute to employee's HSA. Mr. Geary noted that we are contractually obligated to contribute to their HSAs and the amount is negotiated per contracts.

Another Board member question concerned possible savings if ground maintenance was turned over to the town. Mr. Geary explained that we currently have three grounds men that care for 14 buildings. We already pay the town approximately \$85,000 for field maintenance. Mr. Geary did not feel that any savings could be found by asking the town to take over the maintenance and could be troublesome during snowstorms for town workers to also take care of plowing and sanding our properties in addition to clearing the roadways.

Next, energy efficiency was reviewed. Mr. Geary explained that all schools are run by natural gas and that eight buildings have dual energy, so they can be switched to oil if oil prices were to be less expensive. The grange is the only oil-based building. Mr. Geary also detailed the work done last summer at the high school, with many rooms moving from fluorescent to LED lighting, the AC over the library being replaced and HVAC controls in the lower gym upgraded. There was also work done at the Preschool and this summer additional work changing to LED lighting will take place in 21 more rooms at the high school and IOH pool. Mr. Geary reviewed this work costs about \$70,000 and the cost savings is approximately \$7,000 per year, so it will take some time to recuperate the costs.

The topic of Adult Education and Food Services was raised, with a Board member wondering if either was a source of revenue. Mr. Geary noted we are required by law to provide Adult Education and we pay approximately 52% of the costs with the other 48% being covered by a state grant. The Continuing Education side of Adult Ed, which is the enrichment type classes offered to the public, costs the Board about \$20,000 a year. Food services does produce some revenue so salaries were moved to this budget over the last two years, so now some salaries that were previously in the Board budget are absorbed by the Food Services budget and that is now cost neutral.

Mr. Thames wondered what the SAAM budget has been. Dr. Radikas stated that the budget for SAAM is \$378,000.

Ms. Jacobsen questioned how Adult Ed and Continuing Ed were listed in the budget and Mr. Geary explained the hourly employees were mostly for Continuing Ed. He further explained that Career Ed is for vocational high school. The \$700,000 figure for Adult Ed represent our 52% of the costs.

Mr. Conyers wondered if there are efforts being made to switch employees to HSA medical coverage. Mr. Geary reviewed that for teachers and administrators it is the only option available. For paras, custodians and secretaries there are multiple options. At this point about 68% of our employees have HSA coverage. Mr. Conyers wondered if we are providing education to help people switch. Mr. Geary noted we do educate employees every year and those sessions are well attended.

Ms. Hagenow wondered which fields are maintained by the town in the shared services agreement. Mr. Geary will obtain a list.

Ms. Hagenow wondered if life insurance is paid for retirees. Mr. Geary will find out.

Ms. Hagenow asked for the difference between defined contribution and pension. Mr. Geary explained we are trying to move people from a regular town pension to a defined contribution program, which is more like a 401K.

Mr. Pattacini wondered what the latest date is that we can decide whether we are holding SAAM this summer is. Mr. Geary noted typically we would have already started planning, but March 15th seems to be the latest that can start. At this point we are definitely not planning to hold SAAM unless the Alliance Grant funding comes through.

Ms. Jacobsen wondered if grounds keeping is the only shared service we could consider. She suggested payroll or human resources might be shared. Mr. Geary explained that the Board has a much larger payroll than the town, so we might look into absorbing their payroll instead of asking them to absorb ours. As for HR, that would be challenging to share because they are so different. We do share a little IT, such as fiber, phones and Munis. We cannot eliminate any of our existing staff for grounds keeping as the town would not be able to clear the town roads and the school grounds during a storm.

Ms. Jacobsen wondered how many students are in Adult Ed, which is about 222.

Ms. Jacobsen noted that from the 15/16 school year to the 16/17 school year we added 37 positions and she asked for clarification on those. Mr. Geary reviewed 18 STEM teachers were hired for the elementary schools; 5 administrators including assistant principals, a Director of Talent, and a SPED supervisor were hired; 13 paras or tutors; and covered under other were a secretary, custodian, non-affiliated staff and the FRC coordinators. Most positions were funded by grants.

Clarification was asked for by Ms. Jacobsen on the amount of the Alliance Grant last year. Mr. Geary explained that the original amount was about \$4.3 million but the funding was cut twice, with the final number being \$3.2 million. Ms. Jacobsen would hate to see the SAAM program cut and wondered if there was any way we could find the funds. Mr. Geary noted a 2.9% increase is already challenging and adding to that would be more so. Mr. Geary explained that other items covered by Alliance, including the STEM teachers, EL teachers, and math interventionists are just as crucial, or more, than SAAM is.

Ms. Jacobson wondered, of all the grants we rely on is Alliance the only one we are unsure of at this point. Mr. Geary noted that we are aware that the Hartford Foundation grant is dropping and will continue to drop as expected. This grant covers the Family & Community Partnership and FRCs, which are also partly funded by the Alliance Grant.

Mr. Caldwell wondered if the administration has a potential backup plan if the Alliance Grant is not funded. Mr. Geary state we would have no choice but to eliminate positions. He is unsure which ones at this point. There are many factors to consider in which positions to eliminate.

Ms. Hagenow wondered what "rentals" covers besides copier rentals. Mr. Geary noted some other rented items are the venue for graduation, the space for Adult Education, and the Special Ed Transition space for ages 18-21.

Mr. Caldwell wondered if we could cut costs by holding graduation on the field. Mr. Geary noted we could cut some costs, but then there is no rain backup and there would be costs associated with field cover and other items. He is uncomfortable with that plan.

Ms. Jacobsen asked about the Adult Ed rental. Mr. Geary noted currently we rent space above MCC on Main, but we are looking at alternative locations. Ms. Jacobsen noted that the approximate cost per student for Adult Ed is \$3,400. Mr. Geary noted that we are required by law to provide Adult Ed and that if we lower our budget the state grant also gets lowered. Several years ago we contracted out our Adult Ed program to Vernon and the cost was higher.

Ms. Clancy provided a hangout on the TOMMIF fund. The current balance is approximately \$25.8 million. She spoke with Greg Simmons from the town and the town is currently working with an actuary to determine what a good balance would be for the fund. The current thinking is that \$15-18 million would be sufficient. They are investigating what could be done with the excess and one possibility is to help fund the OPEB account (Other Post-Employment Benefits) that is underfunded currently. Another option being considered is to give employees a "holiday" of 6 months or a year where they would have a reduced premium. The matter is still being discussed. Mr. Geary pointed out that even though we currently have a surplus in TOMMIF, about 10 years ago the account was underfunded so we do need to be careful about that.

Mr. Pattacini clarified that the fund is contributed to by the town, the Board of Education and employee premiums. With there being such a surplus in the account, Mr. Pattacini wondered why there was such a steep increase in the healthcare budget. He wondered why we couldn't use the surplus to lower our operating costs. Mr. Geary will defer to the town on this. Ms. Clancy stated she asked the town that question and was told it is not an option. Mr. Pattacini

would like an explanation from the town on this issue.

Mr. Caldwell wondered if the \$15-18 million ideal balance included mass stop loss coverage. Ms. Clancy stated that was included.

Mr. Geary moved on to questions sent in by the public.

He noted it is too early to say which positions may be cut.

Another question mentioned having students “pay to play”. Mr. Geary acknowledged some towns do this, however with an approximate 54% Free/Reduced Lunch population, this is not practical for Manchester. He will not consider that option.

The size of classes was brought up. Currently the Board tries to maintain elementary class sizes of 18-22. It may be possible to go as large as 26, though that is obviously not ideal.

Mr. Geary reviewed the Board is obligated to pay into the HSA accounts, as well as to fund magnet school tuitions. He noted the general public often is unaware of these costs.

Another question from the public asked if an across the board salary reduction would be possible. Mr. Geary explained that we are contractually obligated to employees, though we can ask for concessions we are not there yet.

Mr. Geary noted that people are excited about STEM and the FRCs. There are always new grant opportunities and the Hartford Foundation for Public Giving grant is doing a staff analysis to find ways to save money. Also, there may be potential savings once Robertson and Washington close.

Mr. Geary reviewed we are pursuing the Alliance Capital Improvement Grant and he is told the funding is available. If that funding comes through, it may be possible to reduce the Board budget on capital repairs and improvements. The issue is that the budget needs to be approved before funding would be known. Mr. Geary noted that one thing is clear, the public wants our buildings to be maintained.

Another question from the public asked about the need for so many administrators. Mr. Geary explained that there are many unfunded state mandates that have put a lot of pressure on the Board. The new teacher evaluation tool required a new administrator to oversee the program as well as assistant principals to help evaluate. With bullying and climate issues more administrators are needed as well. Mr. Geary noted he has never seen administrators work harder than in Manchester.

Mr. Thames asked if there is a state mandated maximum student/teacher ratio. Mr. Geary stated there is not, but Manchester does its best to maintain reasonable class sizes.

Mr. Thames wondered when we would find out if we are receiving funding from the Alliance Capital Improvement Grant. The applications are due by March or May, so Mr. Geary hopes that by submitting by March we will hear before the May applications are due.

Mr. Thames wondered if we could ask for a waiver of the state for some of the unfunded mandates. Mr. Geary stated we cannot, however he hopes in the future they do a cost analysis of compliance as sometimes the state does not consider the burden they place on towns.

Mr. Conyers wondered when the report from the Hartford Foundation regarding staffing was due. Mr. Geary noted that the report, which would predict possible retirements and position reductions due to the school closings, should be ready by early spring.

E. PUBLIC COMMENTS

None.

F. CLOSING COMMENTS

Ms. Hagenow noted we are down to just a couple of questions, including life insurance and the TOMMIF excess funding.

Mr. Pattacini reviewed that this was the last budget workshop and at the next Board meeting, Monday, the budget will be on the agenda for adoption.

Mr. Caldwell was concerned still with a 2.9% increase, which is \$3.2 million dollars. He hopes to hear from the town on lowering the Board contribution to the TOMMIF account.

Mr. Thames understands the point about the TOMMIF account, however the budget needs to be sent to the town by February 14th. Mr. Thames outlined the timeline for new Board members. He noted we should be prepared to adopt the budget Monday and continue to work with the town on the insurance question.

Ms. Jacobsen is also concerned and noted that tax increases impact our elderly and low income population, along with local businesses. She asked if we could approve the suggested budget but continue to ask questions of the town.

Mr. Geary reviewed that the Board approves the recommended budget and that is submitted to the General Manager of the Town. He then recommends to the Board of Directors a budget. The Board of Directors comes up with a budget and then the Board has several more budget workshops in the spring to decide

how to deal with any reductions. The town may reduce the amount of the budget, but they do not specify which reductions to take.

Mr. Pattacini noted he will support the recommended budget on Monday.

G. ADJOURNMENT

The meeting was adjourned at 7:23 p.m.

Respectfully submitted,

Jason Scappaticci
Board Secretary