

**BOARD OF FINANCE
SPECIAL MEETING**
Nathan Hale Ray High School Cafeteria
March 24, 2010

Call to Order

The Special meeting of the East Haddam Board of Finance was called to order by Chairman Paul Maxwell on Wednesday, March 24, 2010 at 7:0 pm at the Nathan Haley Ray High School Cafeteria. Pledge of Allegiance was recited.

In attendance:

Members:

Paul Maxwell, Chairman
Ed Schwenzfeier
Bob Bennett
Susan Link
Bruce Dutch
Matthew Budzik (arrived 7:05)

Others:

Mark Walter, First Selectman
Deb Denette, Recording Secretary/Town Clerk

Approximately 25 others, including members of school administration and the Board of Education.

Mr. Maxwell noted that the purpose of the special meeting was to receive the Board of Education's budget request. Mrs. Nancy Haslam, Chairwoman of the Board of Education, thanked the school's administration and Board of Education members for the hard work completed on the laborious task of putting the budget together. Mrs. Haslam requested Dr. Ellen Solek, Superintendent of Schools, and Mrs. Deb Fiala, Finance Subcommittee Chair, to present the budget that the Board of Education has endorsed.

Mrs. Fiala distributed the "budget book" to the Board of Finance Members. Dr. Solek noted that the request is in the amount of \$18,221,934; and represents a 2.51% increase over last year's allocation. Dr. Solek stated that the requested figure allows for sustaining achievement levels, and supports the goals and objectives as set out in the district's strategic plan.

Dr. Solek noted increases are found with obligations from health insurance premiums that increased 10% and contractual obligations for certified and non certified staff.

Mrs. Fiala stated that the Finance Subcommittee reduced the Superintendent's proposed budget from a 5.01% increase to a 2.51% increase. She added that the Board's goal is to advocate for the children. She stated that some difficult decisions were made. It was stated that with the budget request, the school Board feels that it can maintain the quality of most programs at an acceptable level. Dr. Solek stated that some positions have been eliminated (four full time and two part time positions). Additionally, hours for guidance staff have been reduced in the summer months, and other reductions impacting the AV coordinator and technical director will be imposed through this budget. Unfunded or partially funded

mandates were noted to add a considerable financial burden on the school budget. Mrs. Fiala stated that project oceanology and one bus route have been eliminated from the budget as well.

New in next year's budget is the purchase of LCD projectors that were delayed in last year's budget. Dues for CABA and the Superintendent's dues were reinstated in accordance with her contract. Dr. Solek stated that the Board of Education formally requested discussions regarding voluntary concessions from members of the certified bargaining unit. No response has been received to date. Dr. Solek thanked Mrs. Link for her time and attentiveness as the Board of Finance liaison.

Mr. Bob Carroll reiterated that the Superintendent presented a budget with a 5% increase; and that the Board of Education Finance Subcommittee reduced it down to a 2.51% increase. Mr. Carroll stated that 80% of the budget is comprised of contractual salaries and benefits. He also noted the challenges facing educational systems due to the State not meeting the obligations as set forth in its formulas. Responsive to an inquiry from Mr. Budzik, Mr. Carroll stated that the Town is shouldering more and more. Mr. Carroll called the Board's attention to tab 3 which breaks the budget down different ways.

Mr. Carroll briefly reviewed the revenue expected from the endowment funds and he reviewed capital projects. Mr. Maxwell noted the Selectmen's recommendation to establish capital reserves for Board of Education projects to come from unspent Board of Education funds to encourage fiscal savings. Mr. Maxwell also stated that the Selectmen's recommendation included an increase in capital over what was requested by the Board of Education.

Mr. Carroll stated that in addition to funding from the Town and the State, the schools receive grants from sources such as Consumers Union and Liberty Bank. He stated that those funds can be reviewed at tab A5 of the budget book. He added that this type of funding is "targeted" and must be spent as directed. Discussion regarding funding by the Ray Board was also held. Mrs. Link stated that she would like to review how that accounting is processed. Mr. Carroll stated that he would be happy to review it with her at his office and assured the Board that the accounting was not "double dipping". Mr. Carroll also stated that the Ray Board, based on its earnings, provides the administration with the figure it will be able to provide, the administration advises how they would like to see it spent.

Responsive to inquiry from Mr. Budzik, Dr. Solek advised that the strategic plan was adopted last September and the five year plan is through 2014. She stated that her original budget supported the strategic plan 100%, however, the cuts to staff will impact the integrity of programming.

Mr. Maxwell inquired if the savings due to the reduction in staff reflect benefit savings and unemployment compensation. Mr. Carroll stated that the numbers are net. Mr. Maxwell requested further clarification on the status of negotiations with the unions regarding concessions. Dr. Solek stated that there have been no formal discussions. She stated that she sent letters the end of February. The CEA has acknowledged receipt of the letters. The CEA has stated that they have taken the letters under consideration. A 2% place holder has been put in for the non certified union, which are still in negotiations.

Mr. Maxwell inquired if a letter has been sent to non tenured teachers regarding the potential of layoff. Dr. Solek responded that it is not necessary to do; stating that positions can be eliminated at any point pursuant to Connecticut law, she stated that "bumping" would have to occur due to tenure.

Mrs. Link clarified that certified salaries are projected to increase 3.5% and that the non certified staff salaries are projected to increase 2%. Dr. Solek responded affirmatively. Mr. Carroll stated that he understood that the Selectmen locked in oil pricing for the Town and that approximately \$47,000 in savings for both heating oil and diesel fuel will result. Those savings are not yet reflected in the documentation presented to the Board of Finance.

Mrs. Link stated that she spent many hours as the Board of Finance liaison to the Board of Education and stated that she was very pleased at how thorough the review was by the Board of Education's Finance Subcommittee. Likewise, Dr. Solek stated that she was very pleased with Mrs. Link's commitment and dedication.

Public Comment

Mr. Wyley Peckham of Babcock Road noted the struggles faced by many residents and cited statistics for the jobless rate, social security freezes, Medicaid increases, and foreclosures. He displayed a board to emphasize his points. Mr. Peckham stated that Connecticut has typically entered and left recessions late. He raised concern that with the teachers receiving cost of living increases, step increases and increases based on attaining additional degrees their salaries can increase by as much as 30% in a given year. Mr. Peckham stated that over the past decade, inflation has risen 18% however the total education increase has been 37%. Mr. Peckham further stated that in recent years, the Board of Education budget has increased \$2,800,000 while student enrollment has increased by only 8 students.

Mr. Peckham noted that many of the salaries, plus stipends, and fringes account for many teachers being compensated in excess of \$100,000, he stated that many in the community that are required to share in this burden cannot afford these salaries. Mr. Peckham urged the Board of Finance to maintain the current level of spending for school salaries in East Haddam. He stated that should staffing cuts be required to fund the contractual increases, the residents of the Town will understand that it was the staff itself that mandated those cuts.

Mr. Mark Fortier, Old Mt. Parnassus Road, inquired what the total value of the staff cuts equated to. Mr. Carroll did not have that information readily available. The proposed increases at 3.5% equate to approximately \$500,000. Mr. Fortier noted that the increases will compound each year. Mr. Fortier stated that there is no justification for giving cost of living increases in this present economic state.

There being no further comment or questions, **Mr. Dutch motioned to adjourn at 8:05 pm. Mr. Budzik seconded the motion. The motion to adjourn carried unanimously.**

The next meeting was noted to be on Monday, March 29th at 7:00 pm at the Town Office Annex.

Respectfully submitted,

Deb Denette