

**COMBINED BOARD OF SELECTMAN AND BOARD OF FINANCE
PUBLIC BUDGET HEARING
MINUTES OF MEETING
MARCH 7, 2011**

Pursuant to the call and written notice, the Public Budget Hearing of the Board of Selectman and the Board of Finance was held on Monday, March 7, 2011 at 7:00 pm in the Board of Education Administrative Offices, Seminar Room 300, 501 Kings Highway East, Fairfield, Connecticut.

MEMBERS PRESENT

Chairman Thomas Flynn, Robert Bellitto Jr., Ken Brachfeld, James Brown, Christopher DeWitt, Kevin Kiley, Mary LeClerc, Robert Stone, Michael Tetreau

MEMBERS ABSENT

None

ALSO PRESENT

Kenneth Flatto, Sherri Steeneck, James Walsh, Board of Selectmen, Town of Fairfield
Paul Hiller, Chief Fiscal Officer and Clerk of the Board of Finance
Linda Gardiner, Budget Director, Town of Fairfield
John Mitola, Chairman, Board of Education
Bonnie McWain, Director of Finance, Board of Education
Dr. David Title, Superintendent of Schools, Board of Education
John Boyle, Deputy Superintendent of Schools, Board of Education
Margaret Mary Fitzgerald, Deputy Superintendent of Schools, Human Resources, Board of Education
Anna Cutaia-Leonard, Director of Elementary Education, Board of Education
Dr. Gary Rosato, Director of Curriculum, Instruction and Assessment, Board of Education
Thomas Cullen, Director of Operations, Board of Education
Andrea Leonardi, Director of Special Education and Special Programs, Board of Education
Nancy Byrnes, Manager, Information Technology, Board of Education
John Ficke, Transportation Supervisor, Board of Education

Chairman Flynn called the meeting to order at 7:05 p.m.

The budgets were reviewed as follows:

8010 Board of Education Dr. David Title and John Mitola presented this item to the Board.

Mr. Mitola stated that the Board of Education (BOE) considers the Board of Finance (BOF) and the Board of Selectmen (BOS) partners and the BOE values the support that has been given to the BOE over the years from the BOF and the BOS. Mr. Mitola also stated that these are difficult times we are all facing and the BOE budget reflects the issues that are affecting all of us. Mr. Mitola also noted that this proposed budget reflects only what is needed to provide a quality education for the children of Fairfield. Dr. Title presented a power point presentation and noted that 88% of the proposed 4.9% increase in the

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budget for this year is fixed or contractual costs.

First Selectman Flatto presented his summary on the BOE budget. Mr. Flatto stated that his 4 year plan calls for modest BOE increases. Mr. Flatto further noted that he supports education but, at the same time, he needs to be fair therefore he is recommending a \$1.6M reduction to the BOE budget as presented. Mr. Flatto stated that it is his recommendation that the increase be 3.75%, not 4.9% as requested by the BOE. Mr. Flatto also stated that any program improvements must be derived from savings. Mr. Flatto also stated that enrollments are trending down, and, in his opinion, areas that can be adjusted for savings are staffing, technology and capital items.

Dr. Title informed the Boards that this budget contains no reserve or contingency for additional staff should enrollments vary greatly from projections.

Chairman Flynn requested that Dr. Title provide the Board with a report showing the number of employees listed for last year versus the number of staff today. Dr. Title stated that there is no change in those numbers.

Chairman Flynn stated that the enrollment projection debate held yearly is very frustrating to everyone and he asked the BOE and the Town, in the future, to work together to reach some sort of happy medium on enrollment to present to the public that both sides find comfortable.

Mr. Mitola stated that the BOE hired a demographer (MGT) to develop enrollments and the BOE is working diligently to get valid counts.

Dr. Title stated that projections over 5 years out have little validity due to the lack of birth rate data.

Mr. Flatto stated that facilities' planning is the most difficult issue.

Dr. Title then reviewed his Executive Summary with the Boards. Dr. Title stated that, if the ECS grant comes through, the proposed increase will be 4.54% not 4.95%. In response to a question from the Board, Dr. Title stated that he would like to try having high school students who drive to school daily officially opt out of receiving bus transportation so that bus transportation costs could be contained. Dr. Title stated that AON is overly conservative in their estimates for medical expenses. Dr. Title also noted that Fairfield carries unusually low stop/loss coverage and this could be an area for savings. Dr. Title reported that the current stop/loss coverage could be raised to \$300K yearly from the current \$150K yearly that is now in place. Dr. Title also noted that AON informed the BOE that, in their opinion, the BOE should put aside \$150K for reserves if the stop/loss coverage is raised. Dr. Title also informed the Boards that Anthem's estimate on expected medical claims costs was \$100K and AON's estimate on expected medical claim costs was \$400K. Dr. Title noted that in AON listed in their estimate \$137K for Obamacare no co-pay for wellness visits, no new renegotiated fees were included, they were conservative on their new employees costs estimate could save \$200K.

Chairman Flynn noted that overages would be paid from the Internal Service Fund reserve. Mr. Flatto asked if the reserves in the BOE remain high, would the BOE agree to leave that money in the Internal Service Fund reserves in light of the delicate situation the reserve fund is currently experiencing. Mr. Mitola stated that he couldn't speak for the BOE but, in his opinion, he felt that this request seemed reasonable and he will bring it to the BOE for discussion.

Chairman Flynn stated that the Ratings Board looked at the Internal Service Fund (ISF) in July 2010 and expressed concern over the low balance when \$5.2M was in that fund. Chairman Flynn noted that the BOE then took out \$1.6M knowing the Ratings Board had concerns and that was why the BOF was upset with the moving of the funds.

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Dr. Title stated that he is agreeable to go out to bid for the type of services that AON is now providing to the BOE.

Mr. Kiley noted that on the October 2007 letter detailing the MOU between the Town and the BOE regarding the ISF, in paragraph 12, there is an opt out clause for the BOE. Dr. Title stated that, in his opinion, the ISF should be managed as a whole by the Town with the BOE contributing in light of the recent concerns expressed by the BOF.

Ms. Steeneck stated that, in her opinion, if the Town hires experts we should listen to them or get other experts that we will listen to; we pay them a lot of money for their educated opinions.

Chairman Flynn asked Dr. Title, after a discussion on the 10.59% increase projected by the BOE for health insurance per person insurance costs, to look into the calculation basis and bring his results to the next BOE budget presentation.

Dr. Title noted, in Pension Other Insurance – Social Security category, the disability coverage was redone and the BOE saved \$209K.

Dr. Title reported that the BOE has consistently overspent the out of district tuition account and they are scrambling to reduce that now. Dr. Title reported that tuition runs about 5% more yearly at out of district placement facilities and the BOE has no control in that area. Dr. Title also reported that it is his goal to report this account realistically going forward.

Dr. Title reported that 77% was used for Excess Cost Funding this year while last year the percentage used was 82%.

Mr. Walsh asked Dr. Title to prepare a one page report on the Special Education 5 year budget history and outplacement history costs.

Mr. Brachfeld asked if the extra \$500K budgeted for the unknown students would be better placed into the Contingency Fund to be used if needed rather than in the BOE budget.

Dr. Title noted that the line Staff New to Budget is a new category but is not necessarily new employees.

Dr. Title also noted that the Benefits for Staff New To Budget line is new to the budget. Dr. Title explained that this line is based on a percentage of salary and the salaries used were starting salaries which are lower.

Dr. Title informed the Boards that smart boards were removed from this budget due to a lack of time to devise a plan that met his specifications for use and implementation.

Dr. Title explained that the line Technology (Capital Expense) is mainly to fund the final phase of the switch replacement process.

Dr. Title explained that the line Technology (Technology Services) now includes all costs for laser printers which were formerly allocated to the individual schools. There was a short discussion on the use of ARRA funds to purchase computer equipment for use by special education students with assistive technology.

Dr. Title reported that due to changes in the account structure, school allocations have changed and those expenses are now under Central Office accounts e.g. software.

Dr. Title reviewed the use of interns in the schools. Dr. Title explained that there are currently 48 interns in the system that are being used to minimize substitute teacher costs but, in his opinion, they could not be justified on a cost/benefit basis unless each intern was used as a substitute teacher a minimum of 132 days a year so the intern program has been eliminated from the proposed budget.

Dr. Title also reported that this proposed budget contains some maintenance projects that have been cut in recent years due to tight budgets but that can no longer be delayed.

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Chairman Flynn asked Dr. Title to prepare a schedule of the projects that have been cut due to budget restrictions in recent years.

After a discussion on the state of Burr School and the problems that have existed there with the HVAC system since it was constructed, Chairman Flynn asked Dr. Title if the BOE had any idea what the average cost per square foot was to maintain its buildings and also if the warranties are costing more than they are worth.

Mr. DeWitt asked Dr. Title if the BOF could receive the MUNIS account sheets similar to the ones that they currently receive from the Town. Dr. Title said that the BOE would provide MUNIS reports on a quarterly basis.

PUBLIC COMMENT

Kate Daniello, 490 Shrub Oak Lane

Is it possible to place the architects etc. on a do not use list if their work is not satisfactory and attempt to encourage them to assist with any corrections that are needed.

Daniela Rhodes, 200 Hemlock Hills North

Please support the budget as presented.

Meredith McCormack, Fairfield Beach Road, Sherman PTA Budget Rep.

Please support the budget as presented. The budget is real and lean.

Gigi Christy, 428 Woodridge Avenue, PTA Council President-Elect

The budget is lean and any cuts will result in program cuts. Please approve the budget in its entirety.

Mary Hogue, 165 Stonewall Lane, PTA Council President

This is a thoughtful budget; education affects the entire town and cuts could mean cuts to program; continue to keep asking questions and support this budget.

Tim Kery, 7 Green Acre Lane, Board of Education

He distributed a handout to the Boards. Regarding AON, the First Selectman said if we hire experts we should follow their advice. Both the Town and the BOE need to work together on the Fund Balance issue to come up with a solution.

Perry Liu, 50 Judge Hollow Road, Board of Education

He agreed with the First Selectman that insulations should not be used. The BOE cuts this and that or approves this and that; the insurance fund issue was never brought before the full Board and he will question that at the BOE meeting scheduled for tomorrow evening.

Carolyn Trabuko, 221 Sherwood Farms Road

She stated that she is an analyst by profession and she was glad to hear a numbers discussion. She noted that the differences seem to be over school population lines; think about budget approach.

Chairman Flynn noted that there are still several items to be discussed but, in light of the late hour, those items will be held over to the March 16, 2011 meeting.

Chairman Flynn reported that he was informed tonight that Mrs. McWain will be retiring from her position with the BOE in 1 ½ months. Chairman Flynn congratulated Mrs. McWain on her fine work

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over the years and noted that she has always done a fantastic job. He wished her well in her future endeavors.

The meeting was adjourned at 11:20 p.m.