

# **CRANSTON SCHOOL COMMITTEE MEETING**

**WEDNESDAY, MARCH 16, 2005**

**WILLIAM A. BRIGGS BUILDING (REED CONFERENCE ROOM)**

**845 PARK AVENUE**

**PUBLIC WORK SESSION: 7:00 P.M.**

## **MINUTES**

**A public work session of the Cranston School Committee was held on the evening of the above date at the William A. Briggs Building in the Reed Conference Room with the following members present: Mr. Archetto, Mrs. Greifer (arrived at 7:25 p.m.), Ms. Iannazzi (arrived at 7:48 p.m.), Mr. Lupino, Mr. Palumbo, Mr. Stykos, and Mr. Traficante (arrived at 7:23 p.m.) Also present were Mrs. Ciarlo, Mr. Scherza, Mr. Balducci, Mr. Votto, and Mr. Zisseron.**

**The work session was called to order at 7:20 p.m. The roll was called.**

### **I. Energy Conservation Presentations**

**Mr. Palumbo introduced Mr. Jerry Drummond and Ms. Lisa Carbone who are sales consultants from Siemens Energy Conservation Consulting Services. He indicated that both he and Ms. Carbone have deep roots in Cranston. He was born in Garden City and Ms.**

**Carbone's grandfather is a member of the Cranston Hall of Fame. Mr. Drummond gave a Power Point presentation to the committee regarding the building education program for energy conservation. A copy of this presentation is attached for the record.**

**Dr. Drummond noted that Seimens has over 100 employees in Rhode Island who have been dedicated to Rhode Island. They have an office in the Warwick area since 1985. Recently they were selected by the State of Rhode Island as one of the four energy performance service partners for the State of Rhode Island. They have done much work in the schools marketplace. Siemens is a large manufacturer of control systems. They also own Sylvania lighting. Nationwide they do work with over 1,100 school districts providing energy conservation services and a variety of other services. The request for proposal was for a people oriented building education program. Its purpose is to work with the staff and the schools to make them aware of what opportunity exists for energy conservation. There was a requirement not to have any money put into the system or mechanical retrofit in order to achieve these savings.**

**Mr. Drummond, in his Power Point presentation, explained Siemens' proposal in detail.**

**Mr. Lupino referred to one of Mr. Drummond's comments regarding canceling the contract if the program is successful. Mr. Drummond explained that the school department's energy manager would have**

been trained by Siemens. If he or she

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doesn't need any additional training from them and can run the program successfully, there is no need to pay Siemens any additional fees.

Mr. Lupino commented that the spreadsheet Mr. Drummond distributed to the committee members resembled one that he had received from an insurance salesman. Mr. Lupino asked what the guarantees would be with regard to his numbers. Mr. Drummond responded that the guarantees of the program are designed to put the school department at no financial risk whatsoever. It would cover the district's entire cost. If the school district doesn't save at least \$50,000 or more within the second year, the district can cancel the contract.

Mr. Lupino asked if under their plan the energy manager would be an employee of the school system or a consultant and paid as a consultant. Mr. Drummond stated that the request for proposal document stipulated that this person must be an employee of the Cranston Public Schools. Mr. Lupino asked if the \$184,000, the district's total cost, took into consideration all the applicable benefits for this person. Mr. Drummond said that they approximated \$75,000 in their proposal for the energy manager. It may be more or less

**depending upon the person hired.**

**Mr. Lupino asked if there was any recommendation for hardware in their numbers, and Mr. Drummond responded that there was no requirement to buy additional hardware or equipment such as boilers or lighting systems. They will review the alternate equipment.**

**Mr. Stycos asked if the \$75,000 was a wage and benefit figure, and Mr. Drummond indicated that it was. If it is \$100,000, then Siemens will guarantee that the school district will save at least that much money plus the \$50,000. The district will always be in a positive cash flow.**

**Mrs. Ciarlo asked where else Siemens has used this particular approach, and Mr. Drummond stated that most of the 1,100 school districts they have 95% of them provided new equipment because they also get the new equipment paid for out of savings. Mrs. Ciarlo noted that she did not remember the training component being a part of Siemens' first program proposal. Mr. Drummond responded that they had combined both programs because they believe they go hand in hand.**

**Mr. Drummond continued with his Power Point presentation.**

**Mr. Stycos stated that the cost of the district's total investment is \$1 million over the seven-year term of the contract. He noted that Mr. Drummond had mentioned in his presentation that the district would**

save \$3 million from the equipment, and there would be a gap of \$1/2 million. Mr. Drummond responded that all utility rebates and incentives that Siemens gets from the utility companies would be used to buy down the principal

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on the \$3 million. They would be financing over time approximately \$2.4 million. To get \$3 million of new equipment, the utility rebates would be used to buy down the principal. That is why there seems to be a disconnect if one just added \$3 million to the initial cost. No finances charges would be paid on that money, and Siemens would coordinate all of it for the school district.

Mr. Lupino asked who specs out the equipment. Mr. Drummond stated that Siemens works with the owner to help do that. They have some of the largest buying power in the world. They buy over \$10 million worth of equipment, so they have many of the larger manufacturers of energy efficient equipment. They also manufacture much of the equipment. If the school district is standardized on certain equipment, then Siemens would spec that particular equipment. They would look at the energy efficiency of particular equipment. The school department would have an input as to what equipment would be used. There are three professional engineers in their Canton, Massachusetts office which is the district headquarters.

In some cases, they utilize outside engineering sources. Mr. Lupino

asked if the engineers would be specific in their assessment. Mr. Lupino noted that much of Siemens equipment is proprietary. No one else can produce it. If the specification was written in such a way that the school department would have to buy Siemens equipment, he asked if this was noted in the contract. Mr. Drummond responded that it is stated in the contract that the district would have to buy Siemens equipment. If the district has standardized on Honeywell or Johnson Controls, it would make sense to stay with that technology again because the personnel are familiar with how it works. It appeared that the district does not have a centralized energy manager or energy control system.

Mr. Stycos asked how Mr. Drummond arrived at the energy savings. Mr. Drummond responded that they use statistical data bases developed by the government, and he has twenty-three years of experience. He looks at the school department on a cost per square foot basis based on the size of the schools, the amount of energy information provided to them, and the schools were compared to other schools in the area where they have done energy retrofits. He knows that he can save the district 30% to 40% on heating, cooling, ventilating, and lighting. Mr. Stycos asked Mr. Drummond if he found Cranston's situation average or better with regard to energy usage. Mr. Drummond responded that Cranston is definitely using more than the mean or average.

Mr. Lupino asked what districts were used in comparing Cranston

**Public Schools. Mr. Drummond responded that he looked at more of a regional average and could not site specific schools. The data gave him schools in the New England area which included elementary, middle and high schools. Mr. Lupino stated that he asked the question because the majority of Cranston's schools are pre World War II. They have a certain set of problems that are attributed to the age of those buildings, and there are other buildings that were built in the 1970's that have their own set of problems. It is important for him to know what types of districts are used in the comparison**

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**because if Cranston was compared to South Kingstown, they have a different situation where the buildings are not very old. Mr. Drummond stated that his data base contains buildings that were built in the 1800's as well as last year. He further commented that old does not necessarily mean high energy cost. When he does presentations and he shows on a cost per square foot to even it out to compare a high school to an elementary school what is found is that some of the newer facilities have the highest cost per square foot. This is caused by the fact that ventilation codes have changed to bring in more fresh air to the elementary classrooms. It costs money to heat that or for air conditioning. It cost more for computer labs. Because a school is new does not mean that it is energy efficient. They retrofit buildings that are as new as two years old.**

**Mr. Lupino referred to an earlier comment made by Mr. Drummond in which he mentioned customers in Rhode Island, particularly Providence, Johnston, South Kingstown, Warwick, Barrington, Exeter/West Greenwich. He asked which one of those cities and towns is using the program described. Mr. Drummond responded that Siemens has not had an aggressive approach using this program in the State of Rhode Island. Siemens has dozens of references for out of state buildings because the incentives for utilities are much higher in Massachusetts. They do a lot of other types of work with those customers such as energy management systems, control systems, Sylvania lighting systems, motors and speed drives that are all energy efficient. Ms. Carbone pointed out that the State of Rhode Island is now taking the initiative toward energy management. Mr. Drummond added that the state realized also that school systems weren't motivated to go out on their own if they didn't have expertise in doing this. In Massachusetts, they have had legislation since 1984 to promote this type of program. This type of legislation doesn't exist in Rhode Island or Connecticut. The state went out and sought energy service companies to help people conserve. Mr. Drummond explained the bidding process for this. The state invited 1,100 customers to partake in this approach.**

**Mr. Drummond continued with his Power Point presentation.**

**In summary, Mr. Drummond told the committee that there were two offerings on the table. Their building education program clearly**

meets the plans and specifications that Cranston Public Schools sent out in their proposal. By looking at the analysis comparing the two companies, Siemens clearly is the low cost provider and the lowest bidder. Siemens was also offering an alternative which was allowed in the request for proposal which is to provide asset protection to invest in the infrastructure of the facilities providing \$3 million of new equipment at no additional cost to the school department. He told the committee that the choice was theirs. Ms. Carbone added that the energy savings are combined with the program. If Siemens doesn't meet the energy savings projected for the district, Siemens will write the school department a check for the difference as part of the total package.

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Mr. Charles Fasnacht, representing Energy Education, Inc. distributed information to the committee regarding their energy conservation program, copy of which is attached for the record. He indicated that he would give a broad overview of his program and contrast it with the program presented by Siemens.

He stated that Energy Education, Inc. has been in business for over eighteen years working exclusively with school districts, and they work without requiring the purchase of any equipment. Siemens is a fine company, and they have a great track record with equipment

programs. He has not seen what the committee saw tonight. This is the first time his company has heard of it, and they have been in business for eighteen years.

Energy Education's program is currently in over 655 school districts nationwide in forty-five states, and they work exclusively with school districts to save energy dollars without requiring the purchase of any equipment, any large capital investment and without any mechanical changes in order to save energy. They are able to save 20% to 30% across the board, and they are able to do that by changing habits and policies and processes of the people who are energy decision makers. There is no capital outlay and no need for new budgeted funds. They use an existing utility budget, carve a small percentage of that out, invest it in this program, and make a guarantee that the savings will exceed whatever is invested in the program. In that way, the decision to hire Energy Education, Inc. is a savings decision and not a spending decision. The guarantee is very simple in that if they don't save the district in excess of the investment then the company writes a check for whatever the shortfall is. There is no risk to the school district, and it is cash flow positive. There is no comfort sacrifice; it is not a program where the students would be wearing sweaters or working in the dark. Energy Education works to enhance the level of comfort in the classrooms and looks for non-value added energy consumption. They are able to do this consistently in a situation such as Cranston's to achieve those goals. The program is a four-year contract. At the end of forty-eight installment payments,

**the program is paid off. Energy Education continues to provide support at no additional fee. Clients who are close by and who are beyond the contract period include North Kingstown and South Kingstown in Rhode Island, and Bridgewater and Raynham in Massachusetts just went out of contract. The bottom line is that \$3.5 million can be redirected.**

**Mr. Fasnacht feels that Energy Education is the best qualified respondent to the proposal for Cranston Public Schools. As he was listening to the previous presentation, the projection of savings is not based on a track record even though they said there was 95% that use equipment. Mr. Fasnacht stated that he doesn't know of any of the 5% that do it just as an education program. That is not to say that an equipment program is a bad idea. Equipment is always something that will need to be replaced. As the previous presenter mentioned, a building that is two years old may need to have a retrofit and an update of equipment, and that is not a bad thing. He knows there are good equipment companies out there, whether it is Siemens, Honeywell, or Johnson**

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**Controls or whatever. Energy Education does not have a relationship with any of those firms, and they have been approached by each of the firms to merge or buy them out. In their opinion, when they talk about saving a school district money, they want the money to be in**

**the pocket of the school district.**

**Mr. Fasnacht went on to say that Amhurst, New York was a school district that was looking at an equipment program at the same time it was looking at Energy Education's program four years ago. They have just completed their contract period, and when they first started looking at an equipment program, it was a \$10 million project. At the end of four years working with Energy Education, it is a \$1.5 million project. Using references such as Energy Star, etc., many people don't realize that clients of theirs are also Energy Star partners as well as Energy Education. When they talk about an education program being successful in achieving these goals, they are talking about Energy Education, Inc. In Rhode Island, they have saved over \$4.9 million over the last seven years, and some of those were \$2.4 million in Warwick, over \$1 million in South Kingstown, and several other clients in varying amounts.**

**With regard to comparing an equipment program to Energy Education, Kingston, New York was a city very similar to Cranston where the buildings were in need of repair and work. When they hired Energy Education, for the first two years they saved money. They went from spending \$1.5 million a year down to \$1.3 million. They took that money and reinvested it in low cost investments that gave them a fast return on investments. Their costs are now down to \$800,000 or \$900,000 a year range, and they were the first school district in the country to qualify school buildings as an Energy Star**

partner.

Mr. Fasnacht distributed to the committee a graph showing the typical results of the top performers in the New England region. He elaborated on some of the successes of those school districts. He noted that Energy Education not only makes a guarantee of the savings but also the district keeps score with a software system that is the district's software on their computer qualified with international measurement and verification protocols for energy conservation through the Department of Energy. Whether an equipment change is made at a later time, if the district has a weather change from one year to the next, if there is a change in square footage, any kind of material change, all of those are taken into account so that when they measure savings it is an apples to apples comparison. By changing habits and processes and by changing people, the district will have a 20% to 30% savings in consumption. Mr. Fasnacht distributed to the committee a savings matrix over seven years. He explained it at length. He noted that in Rhode Island most of the times they exceed their projections. They work exclusively with school districts and not colleges or office buildings.

**Mr. Lupino referred to the presentation Mr. Fasnacht had made some time ago and noted that Mr. Fasnacht would be very active in the hiring process for an energy manager. Mr. Fasnacht explained that by contract his company selects the person based on a combined effort to make a wide search to find the best candidate for the position. The salary range would be \$70,000 to \$80,000 with benefits. Mr. Lupino noted that the energy manager position is open in Warwick. Mr. Fasnacht responded that Bob Cerrio is the energy manager for Warwick Public Schools for the past five to seven years. He has done a great job there, and will now be working full time for Hudson Electric as an energy conservation person. Energy Education is in the process of posting that position. They will be looking for a candidate to replace him. Mr. Lupino asked the salary for Mr. Cerrio when he left Warwick, and Mr. Fasnacht indicated that he didn't know. He thought it may be very similar to what Cranston's would be. Mr. Lupino asked if Mr. Cerrio would be replaced at the seven year figure. Mr. Fasnacht said that it would be based on today's dollars. The original salary was based on a figure for seven years ago. Mr. Lupino indicated that this district is looking to hire someone at approximately \$75,000. He asked if the same position in Warwick is worth \$100,000 because the last person reached that point. In response, Mr. Fasnacht said that he would expect not. It would go back to square one because the new person has not been trained yet. Mr. Cerrio's value in private industry was much higher based on the training he received with Energy Education as well as what he did on his own. Energy Education doesn't do a lot of**

advertising. It is done only on a referral basis, and they have a huge reference list. Every single reference is one where they have worked on the people side.

Mr. Lupino asked if there was one particular utility that generates most of the savings or if it was across the board. In response, Mr. Fasnacht said that it was across the board. In Cranston's case, electric is their highest utility, and natural gas is their second highest utility. It is 20% to 30% across the board.

Mrs. Ciarlo mentioned that the district some years ago tried to do some retrofitting with the savings that Narragansett Electric Co. came forward with. The district ran out of money and did it only in those schools with the highest usage such as Cranston East, Park View, and Gladstone. Mr. Fasnacht responded that if there is a piece of equipment that needs replacing and it is replaced it would result in a much more efficient situation. If upgrades are included to the entire system, then sometimes that changes the total effect. Most of the time, an equipment change would result in a more efficient situation unless it is a change to the amount of indoor air being brought in. Mrs. Ciarlo remarked that even with retrofitting if the lights are shut off no money will be saved.

Mr. Fasnacht distributed to the committee information depicting Energy Education Program's components. Mr. Lupino stated that Mr. Fasnacht had mentioned the savings based on the current prices and

asked if there was a time frame for this. He

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asked how the district would know exactly what they were saving. He noted that Mr. Fasnacht did not mention heating oil, and Mr. Fasnacht responded that it includes electric, gas, heating oil, and sewer. Mr. Lupino noted that the school department has a bid for a floating oil price. He asked where the point was to determine what was being saved. In response, Mr. Fasnacht said that there would be many different types of reports that can be generated from the computer program. The district would be able to see the effective price on their consumption. Mr. Fasnacht explained this in detail. Mr. Lupino used the hypothetical example that the district bought one gallon of fuel oil at \$2.00 per gallon and through this program the district realized a 100% savings. However, in the interim, the price of that gallon oil went to \$4.00. He asked Mr. Fasnacht if he would show a savings. Mr. Fasnacht said that if his company saved the school district a gallon of oil and if the price is \$4.00 at the time they are measuring that they saved \$1.00, then the district would have had to pay \$4.00 for that, so the savings would be \$4.00. If during the base period it was \$2.00, it is still a \$4.00 savings that the district didn't have to spend.

Mr. Stycos asked Mr. Zisseron if he felt these projections of energy savings were realistic. Mr. Zisseron responded that both of these

programs are very pretty, and he questioned whether or not the savings would be what they show on paper. Until the district first invests in some of the older equipment that is currently in the schools and retrofitting, he does not see the district saving \$300,000 to \$400,000. He was not saying that these programs were not good, but the school district does not invest in its equipment. There are boilers that are between fifty and sixty years old. At Cranston East, there are window walls that when it is 20 degrees with a wind, the cold air comes right through the windows. There are control problems in almost every single school. Until money is invested in that equipment, the district can have all the pretty programs that it wants, but they won't give the savings as noted on paper. Mr. Stycos asked Mr. Zisseron if the EPA software helped him at all, and Mr. Zisseron replied that it is not as good as it looks. Mr. Stycos asked Mr. Zisseron if he were going to decide the plans heard tonight would he go with the Siemens alternate because it includes education. Mr. Zisseron said that if the committee were going to invest \$3 million or \$4 million, he would invest the money in mechanicals and then bring on a consultant. Until this is done, the committee won't see these savings. The district will not save money with old equipment and old buildings. Mr. Traficante asked Mr. Zisseron if he felt having an energy manager on board would be advantageous. Mr. Zisseron responded that it would be once new equipment was purchased. If the committee were to bring in an energy manager right now, he was sure there would be some savings, but there is still old equipment to deal with. The district doesn't have

energy saving motors, etc. If the district tries to shut down thermostats at night, in the morning one hopes that the building will come up to temperature for the students and staff. If it is a real cold day, the drafts come in the windows. He can't see the savings until the equipment is changed. These are the things that the district tries to do under the capital budget that

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they never get to. They get the money, but every year something else comes up where they have to prioritize differently.

Mr. Lupino indicated to Mr. Zisseron that the district doesn't have money for equipment and asked if it would make sense to get into a program that would fund itself almost entirely from savings and that the district reinvest some of that money back into equipment in order to get equipment. He has been on the committee for seven years, and the most that has been spent on asset protection in one year was \$140,000. Mr. Zisseron said that the \$140,000 was not for mechanical equipment. He asked if the committee should memorialize in a resolution that a certain percentage of savings should be put into asset protection. Mr. Zisseron cautioned Mr. Lupino as to what he defines as asset protection because there are many definitions for asset protection. In the district's operating budget, the definition is something that runs approximately between

**\$5,000 and \$50,000 which includes blackboards, classrooms doors, etc., and these are not big ticketed items. A big ticketed item would be replacing window walls, heating system, or controls. Those would include \$200,000 to \$500,000 items. He has difficulty working his way through this. He and Mr. Balducci have discussed this matter on several occasions. It is not that he is against it because it will help him in his job. However, if the district doesn't first invest in its mechanicals, then they are still dealing with old equipment. The district would have to budget \$75,000 to \$80,000 for an energy manager plus a yearly fee, and there will be the same old stuff in the end.**

**Mr. Palumbo fully understood Mr. Zisseron's comments. Mr. Fasnacht stated that Mr. Zisseron's concern is a very common one. The City of Pawtucket felt the same way, and they have now saved over \$600,000 in the first twelve months. Mr. Palumbo noted that Siemens' first proposal was without equipment. Both companies had indicated that money could be saved in a new building as well as an old one. Mr. Drummond stated that he couldn't agree with Mr. Zisseron more, and that is why they have the alternate program which is asset protection coupled with the building education program. There is some risk if the heat is turned down at night. The forty or fifty year old boiler system may not start the next morning, and the district has not spent the significant money on capital. That is why he felt the alternate program would be the best offering. The district will save money, but the district will be stuck with the same**

old stuff. At some point, the equipment won't start up the next morning, and that is why the savings should be reinvested. All of the money isn't taken out of the capital or asset protection budget. It is taken out of the energy budget. Rather than taking positive cash flow back as savings, all of the additional savings is being reinvested to buy new equipment.

Mr. Zisseron explained to the School Committee that a number of years ago the district started a retrofit program for lighting. Narragansett Electric has some excellent rebates. With this program the district saw the money. They retrofitted Western Hills Middle School with energy savings lights that go off in ten minutes. The district legitimately took money out of the budget that year for energy cost because they did retrofit and saw

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the savings. It was also done at Dutemple and several other schools. He pointed out that the district must first retrofit and then go into a program that might work very well. The district has to go with equipment first. The district can't save money with old equipment.

Mr. Lupino asked what Warwick's savings were, and Mr. Fasnacht said that it was \$2.4 million which reflected 20%. Mr. Lupino asked Mr. Drummond if his company was an Energy Star partner as well, and Mr. Drummond indicated that they were. Mr. Lupino asked Mr.

**Drummond if the energy accounting software that his company uses is their own, and Mr. Drummond said that it wasn't; it was made by a third party. Mr. Fasnacht's accounting software was also produced by a third party.**

**Mrs. Ciarlo mentioned that if one contracts with Siemens, the district would have to use their equipment. Mr. Drummond responded that the district can use other equipment. If a school already has a specific type of control system, he wouldn't remove that equipment. If it was a building with a fifteen to twenty year old system, he could provide Siemens system that would cost less. It is definitely not an issue.**

**Both Siemens and Energy Education, Inc. representatives left the work session at 8:30 p.m.**

**Mr. Lupino stated that the last time there was one bidder for this service. He asked if administration would make a recommendation and the committee would discuss that decision. Mrs. Ciarlo indicated that at some point a recommendation has to be made.**

**Ms. Iannazzi left the work session at 8:40 p.m.**

**Mr. Traficante stated that he assumed the last School Committee went out to bid on these proposals for a particular reason. He asked if the bids came in at the same time or did the district have to**

re-advertise it. Mr. Balducci explained that the committee originally went out to bid in September 2004. Only one bidder responded which was Energy Education, Inc. After the bid was opened, Siemens then presented a proposal to the School Committee. They were notified that they missed the bid date and that their bid would not be considered. Unfortunately, Mr. Balducci found out after the fact that normally the bid is put in the newspaper and advertised. This was a snafu with this particular ad, and it was never put into the newspaper. To be fair to everyone, the district re-advertised. On December 17th, the second bid opening was conducted, and Siemens and Energy Education sent in bids. Mr. Traficante asked if the district would award the bid to the low cost provider, and Mr. Balducci responded that it was not the same as purchasing a copy machine where the district would be asking for a Savin copy machine. Administration has to review the documents to come up with what they feel is the best program for the district. Money is an important factor, but the district is looking long term to determine who will provide the best service. Mr. Traficante noted that Mr.

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Drummond from Siemens repeatedly said that he felt their company was the low qualified bidder. Mr. Balducci said that administration would do their due diligence to come up with the best recommendation. Mr. Lupino noted that Mr. Fasnacht made it known that they deal only with schools. Mr. Balducci added that the

proposals submitted by Seimens and Energy Education both list their references. Because Energy Education does it only with school districts and this is the product they offer, he did not call any of their references yet. With Siemens, he called several of their references already. The majority of them told him that theirs was equipment retrofitting. He was unable to find one of their references that only does changing peoples' habits. He will continue to call their references in order to get a good sense of the program they offer.

Mr. Palumbo stated that it appeared to him that Energy Education works only with schools. They appear to him to do a better job when a district is not retrofitting. If the district wants someone to simply save them money, he felt that Energy Education would do a better job. He could also understand Mr. Zisseron's way of thinking. If the district were to go with new equipment, they would have to come up with money first. Siemens will probably save the district money, but with regard to the management part of it, he doesn't feel that Siemens will do as good a job as Energy Education. Mr. Balducci added that once he found out which Rhode Island clients Energy Education was contracted with, he called the business managers for a reference. They all told him that the program is working.

Mr. Lupino said Mr. Balducci indicated to him that the district could create another line item for energy savings on equipment. It bothered him that Siemens' bid came in late. It is an equipment company first and foremost. They added an education component to get their foot

in the door. Energy Education seems to be more independent, so if they are going to make a recommendation to replace a boiler, they would spec out a boiler; and the district can look to twenty suppliers. On the other hand, Siemens would put very specific items in their so that the field is narrowed to four or five and half of them use Siemens equipment on it. He felt that the district would be a captured audience with them.

Mr. Traficante asked the condition of the district's equipment. If it is poor, then Siemens is on target. The assets have to be dealt with first. Mr. Stycos asked if there were other companies that would have a proposal similar to what Siemens bid for the alternates. Mr. Balducci responded that when Siemens mentioned they were awarded a contract for the state, he met with Conn Edison. They are a typical type of Siemens organization where they will come in, do an audit of the building, and basically work with administration to see which areas may need to be replaced. They may focus on the boilers because of their age. If they are replaced, the pay back is shorter. The state has already done their homework for the district where they have gone out to bid and collected the four companies, one of them being Siemens. However, the state gave

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them a list of the districts so that they could introduce themselves. There is another alternative out there, but it is not changing habits

but rather retrofitting the equipment. Mr. Stycos asked Mr. Balducci if he would talk to the four companies awarded by the state and then come back to the committee. Mr. Balducci said that he would speak to the other two and have them come in as well. Mr. Stycos suggested that Mr. Balducci come back to the committee with a comparison. Mr. Stycos felt that big savings can be made by simply changing behavior, but bigger savings can be made with equipment. Mr. Balducci said that his conversation with Conn Edison was general in nature. If the committee wished to get into some serious conversations, it would be an expense to the district. They would do an initial audit, but it would be very general. If the district wanted to continue the relationship with the company, they would then do a full-blown audit of all the facilities, equipment, boilers, etc., and there would be money involved.

Mr. Stycos asked if the committee could make a decision without them doing a thorough audit, and Mr. Balducci said that it would be based on estimate and certain factors. It will come down to who the district believes and doesn't believe and who the district feels will give the best product for the service. Mr. Palumbo suggested that if the district could get one who would give their evaluation and they are hired, they could spread the cost out. Mr. Balducci added that the company he met with last week had no preference as to which boiler system would be used. They would work with Mr. Zisseron; they have no ties to a certain manufacturer.

Mr. Lupino commented that he had a strong affinity toward Energy

**Education because of their track record with schools. With someone like Siemens they added this component on to get their foot in the door, and they are still floundering with it to try it on someone. Mr. Balducci said that one of the advantages to having an energy man on board is that this person will be doing it all the time. He equated to walking before running. The district should change its habits first, and then there would be a person on staff who would be the district's point person when they meet with the Siemens of the world to see what should be done. Warwick's energy person sought grants and alternative types of fuels. That is the benefit of first getting involved in energy education type programs first. Once that person has a handle on what the district is spending on electricity, he or she would go to Narragansett Electric to save money.**

**Mr. Lupino added that Mr. Zisseron would most likely state that there are between three and five boilers that could or should be replaced, but there is probably ten schools that could have their windows replaced. That would be both energy saving and change the school esthetically. It would save money while creating a better atmosphere for the students. Mr. Balducci reminded the committee that by changing lighting and replacing windows the overall pay-back period may be seven to eight years. Having that person on the staff would be a benefit in many respects.**

Mr. Palumbo felt that it is always better to have their own person on board. Hopefully the committee can take some action to save money and reinvest it in the schools to get them up to par. Mr. Balducci will research this and report back to the committee.

Mr. Lupino noted that the committee did not discuss with Siemens how they hire an energy consultant. Energy Education could have someone on board in four weeks. Mrs. Ciarlo commented that Mr. Zisseron had stated earlier that the district could not wait five years to do some of these critical things. One of the positions was taken away from Mr. Zisseron, and an energy manager would help Joel and the district as well.

## II. Proposed State Legislation Regarding Education to Include Education Aid

Mr. Palumbo stated that the legislature is putting forth many education bills. He and Mrs. Greifer attended the RI Association of School Committees' presentation last week regarding the proposed legislation. At that time, they reviewed many of these bills, one of which was bill H6095 which he felt was one of the most serious of all the bills. Although the committee knows that many of these bills

don't pass the first time, no one knows what will happen. House bill H6095 is being sponsored by Representative Davey, and in effect he is taking away all of the authority that has been designated to a School Committee and giving it to the Council. He wants the Council to give their okay to the committee's contracts that are formed among other things. Representative Davey also discusses the pension payment in this legislation. The only that would affect the school districts would be more tax on the districts. He asked the committee to read this legislation carefully and to realize how dangerous it would be. Cranston has the best school system, and there is no system better than Cranston. Cranston Public Schools has scored unbelievably high in terms of how the RI Department of Education evaluates them. There are nineteen high performing schools and four moderately performing schools with none low performing. Cranston has an excellent transportation system because the district does it themselves. However, Cranston's representative wants to take the authority away from the school department, and this makes no sense whatsoever.

Mr. Archetto indicated that he has not read the legislation thoroughly, but he doesn't like its concept. The only way to argue this would be to go to the committee hearing at the State House and speak against it. He asked if any committee members planned on attending the committee hearing, and Mr. Palumbo said he would find out the best way to go. Mrs. Greifer asked the committee to check their e-mails since there is a hearing next week on some of this legislation.

**Mr. Traficante noted that this bill would be looked at very closely by the RI Association of School Committees and the AFL-CIO. He referred to that portion of the legislation**

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**where the School Committee would pre-negotiate a contract and it would be ratified by the City Council. If this happens, the school committees would wash their hands of negotiations and hand it over to the City Councils. Unless they are sitting at the bargaining table, those negotiations are null and void. Mrs. Ciarlo added that the committee would be giving up their power to the City Council. The School Committees are responsible for the education of the students. The City Councils have control over the bottom line. Mr. Traficante commented that this legislation is stipulating that School Committees do not have the ability to negotiate fair and equitable and affordable contracts. Mr. Archetto noted that in the era of separation of powers, he didn't think this would go over well. Mrs. Ciarlo added that this legislation is very dangerous because it has so many components to it that some of them could slip through.**

**Mr. Traficante indicated that some of the items may be passed, but the committee has to look at how it will impact school committees in general. Mr. Palumbo noted that there are other bills that should be looked at very carefully because unfunded mandates are attached to**

them. The percentage that the state gives for education is reduced annually, and this is destroying the property taxes. The property tax is increasing steadily to compensate for the lower state aid allocation.

No matter what the committee does, it can cut only to a certain point in the school budget unless it wants to destroy program. Mr. Lupino added that there is proposed legislation for a minimum 5% increase for state aid. Mr. Palumbo commented that this particular legislation has been introduced before. Mrs. Ciarlo added that Representative Davey also wants to increase the age for retirement before putting the cap on the COLA. If they do, they may do it for people not vested in the system. Mrs. Greifer said that the pension system is in a crisis, and Mrs. Ciarlo commented that this happened because the pension system was healthy, and the state stopped putting money into the retirement system. Mr. Traficante added that when he was Mayor of Cranston he was told that the city didn't have to contribute to the pension system; that's how healthy it was at one point in time.

Mr. Palumbo mentioned that the Governor has been pushing alternate learning. Cranston has a school that is unique, but the charter school in Cranston operates differently from many other charter schools. A number of the charter schools he has seen are disgraceful. Mrs. Ciarlo added that many of them aren't educators who get involved, and as a result, the Governor has pitched charter schools against public schools; and this should not happen. It was supposed to be an alternative for something that a public school wasn't doing. They have made it a competition.

**Mrs. Ciarlo stated that she and Mr. Scherza visited the Alternate Education Program last week and spoke with the students. The students indicated to them that they would not make it if they didn't have this program because Cranston East and Cranston West are too big for them. Of the class of approximately thirty students, all but a few will graduate. The rest will be returning to the program. This program is conducted on a**

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**very low budget. Cranston Public Schools does all of these things, but doesn't receive the kinds of incentives that other school systems receive.**

**Mr. Lupino said that there is another bill that addresses public charter schools, and it seems that they want to put more control back to the school committees. It seems that they want to enhance or attract more charter schools. Mr. Traficante added that South Kingstown is facing a major problem with their charter schools. They are closing down elementary schools because of their charter school. Their superintendent is blaming the charter school for loss of student body and loss of funding. He should be looking in his own house to see what he is not offering and the reason the students are leaving. They want the school committees to control charter schools instead of the**

**Commissioner of Education. Basically the Commissioner has the last say in the present bill as far as charter schools. School Committees would be reluctant to develop a charter school because of the problems South Kingstown is facing. Mrs. Ciarlo added that the charter school was suppose to be an incentive for the district to be able to do additional offering for students they could not otherwise do because they were getting one-half of the per pupil expenditure. They weren't able to apply for federal dollars because they limited it to four in Providence, two in Cranston, etc. On the national level, they don't want to have a limitation on it. Since Rhode Island is antiquated, they won't allow applying for any funds. Marcia Reeback, head of the Rhode Island teachers' union, loves the Cranston Charter School because it is a partnership to help all students here in Cranston. Mr. Traficante commented that at the last Board meeting for the Charter School Mr. Nardelli, new Executive Director of the League of Charter Schools, made a presentation to them. He was pitching for Cranston's Charter School to join this league. Cranston is the only school that does not belong to the league. This board is hesitant to join because they are pitching charter schools on the backs of public schools, and Cranston's charter school is in partnership with Cranston Public Schools. Because of the two partnerships, things are working out very well. He will encourage Mr. Nardelli to say that as charter schools develop in Rhode Island they should think more of district charter schools rather than the independent, so to speak, charter schools. Because of that scenario, the Cranston Charter School Board of Directors is reluctant to join**

the league.

Mrs. Greifer pointed out the fact that one of the bills was dealing with the funding of charter schools that would authorize cities and towns to appropriate money for charter schools. She is unsure as to what their implications would be for Cranston. There were a couple of proposed bills that were amending the power of School Committees. Another bill would make the powers and duties of the School Committees binding on charter schools. Mr. Traficante explained that in many cities and towns in Massachusetts the mayor of the town or city is the chairman of the school committee.

Mr. Palumbo referred to House Bill 6086 which would eliminate collective bargaining. In effect, no one would have any rights to collective bargaining. Another bill refers to

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teachers' tenure. Mr. Lupino added that information on proposed legislation can be obtained by visiting the Secretary of State's website. Every bill associated with education is listed there.

Mr. Lupino referred to a proposed bill that is pushing for regionalization. It is referring to 100% reimbursement on housing aid for student populations of 20,000 or more. Mr. Traficante added that this bill is referring to the City of Providence. Mr. Lupino commented

that it would benefit only Providence right now. Some districts such as Warwick and Cranston could be combined for a total of 20,000. He referred to the performance of Central Falls Public Schools and their takeover by the state.

Mr. Greifer indicated that also of interest was a proposed bill to change the deadline for notifying teachers of their layoff from March 1 to June 1. In another proposed bill, if the committee has to go to arbitration, currently the entire school committee has to go. This bill would allow the mediation team instead of the entire school committee to go to arbitration.

Moved by Mrs. Greifer, seconded by Mr. Lupino and carried that the work session be adjourned.

There being no further business to come before the work session, it was adjourned at  
9:40 p.m.

Respectfully submitted,

Anthony J. Lupino  
Clerk