

SPECIAL MEETING

CRANSTON SCHOOL COMMITTEE

MONDAY, NOVEMBER 21, 2005

WILLIAM A. BRIGGS BUILDING (REED CONFERENCE ROOM)

845 PARK AVENUE

EXECUTIVE SESSION: 5:00 P.M.

**PUBLIC SESSION: IMMEDIATELY FOLLOWING EXECUTIVE SESSION
(APPROXIMATE TIME: 7:30 P.M.)**

MINUTES

A special meeting of the Cranston School Committee was held on the evening of the above date at the William Briggs Building in the Reed Conference Room with the following members present: Mr. Archetto (arrived at 5:40 p.m.), Mrs. Greifer, Ms. Iannazzi, Mr. Lupino, Mr. Palumbo (arrived at 5:08 p.m.), Mr. Stycos (arrived at 5:10 p.m.), and Mr. Traficante. Mr. Votto and Mr. Balducci were also present.

The meeting was called to order at 5:05 p.m.

It was moved by Mrs. Greifer, seconded by Ms. Iannazzi and unanimously carried to adjourn the November 16, 2005 Executive Session. Please note that a quorum was not present at the end of the Executive Session to close it.

Moved by Mrs. Greifer, seconded by Mr. Traficante and unanimously carried that the November 16, 2005 Executive Session minutes remain confidential.

Moved by Mrs. Greifer, seconded by Mr. Traficante and unanimously carried that the November 16, 2005 public meeting be adjourned.

It was moved by Ms. Iannazzi, seconded by Mrs. Greifer and unanimously carried that the members adjourn to Executive Session pursuant to RI State Law 42-46-5(a)(1) and contract and litigation pursuant to RI State 42-46-5(a)(2).

Mr. Lupino, acting as Chair, reconvened the meeting at 7:30 p.m.

I. Roll Call/Quorum

The roll was called.

II. Executive Session Minutes Sealed

Moved by Mr. Traficante, seconded by Ms. Iannazzi and unanimously carried that the November 21, 2005 Executive Session minutes remain confidential.

III. Public Hearing

a. Students (Agenda/Non-agenda Items

b. Members of the Public (Agenda Matters Only)

There were no students who wished to speak on agenda or non-agenda items. There were no members of the public who wished to speak on agenda matters.

IV. Consent Calendar/Consent Agenda

There was no consent agenda.

V. Action Calendar/Action Agenda

RESOLUTIONS

ADMINISTRATION

NO. 05-12-1 – RESOLVED, that the agreement between the Cranston School Committee and the Cranston Teachers' Alliance, Technical Assistant Unit Local 1704, AFT, as recommended by the Superintendent, be approved.

Moved by Mr. Palumbo and seconded by Mr. Traficante that this Resolution be adopted.

Mr. Traficante asked Mr. Votto to update him on the changes to this agreement since he was unable to attend the last executive session

when this proposed agreement was discussed. Mr. Votto explained that the last counter proposal was regarding \$1,000 advanced degree stipend for those with bachelors degrees, and the committee agreed to that increase. Mr. Stycos noted that it would take place in the second year of the contract.

This Resolution was adopted unanimously.

PERSONNEL

NO. 05-12-2 – RESOLVED, that at the recommendation of the Superintendent, the following certified personnel be appointed for the remainder of the 2005-2006 school year.

Daniel Muksian, salary to be at the first step of the prevailing salary schedule

Education – St. Lawrence University, BA

Experience – Whitemarsh House

Certification – Secondary English

Assignment – Cranston High School East, English, 1.0 FTE

Effective Date of Employment – November 28, 2005

Authorization – Replacement

Fiscal Note: 11311012 512100

Page 3 November 21, 2005

Moved by Mrs. Greifer, seconded by Ms. Iannazzi and unanimously

carried that this Resolution be adopted.

TABLED RESOLUTIONS

NO. 05-11-12 – RESOLVED, that at the recommendation of the Superintendent, the termination of Employee A be accepted.

No action was taken on this Resolution.

NO. 05-11-13 - RESOLVED, that the first budget revision be approved as recommended by the Superintendent.

Moved by Mr. Palumbo and seconded by Mr. Traficante that this Resolution be removed from the table.

Mr. Stycos stated that he was arguing against the tabling. The committee received this document fifteen minutes ago, and he indicated that the Resolution called for this to be on the website on November 9th; and he didn't believe that it happened. He didn't know how the committee could evaluate the changes in this revision when they received it fifteen minutes ahead of time. Mr. Archetto asked Mr. Stycos if he was recommending that it be kept on the table, and Mr. Stycos said yes.

Ms. Iannazzi stated that there is no debate on the motion.

This Resolution was removed from the table with Mr. Archetto, Ms. Iannazzi, and Mr. Stycos opposed. Mrs. Greifer, Mr. Lupino, Mr. Palumbo, and Mr. Traficante were in favor.

Moved by Mrs. Greifer and seconded by Mr. Palumbo that this Resolution be adopted.

Mr. Stycos asked where the money went from the CAMS Agreement. Mr. Balducci responded that at the last School Committee meeting he was directed to remove all of the proposed changes to the salary accounts and just leave the 3% in for the units the committee has not settled contracts for; i.e., secretaries and CAMS in particular. All of that money was removed and placed in the health account. The total value of those adjustments was approximately \$168,000. The only other minor adjustment that was made to the revenue page as compared to the first document that was presented last Monday was the \$12,500 adjustment to the City appropriation revenue account. This is a combination of those two adjustments of an additional \$12,500 in revenue plus \$168,000 being removed from other expenditure accounts; i.e., the salary accounts. The combination of those two is about \$181,000 and was added to the medical account. Those are the only changes that were made as far as the original budget revision as

Page 4 November 21, 2005

compared to the one in front of them this evening. He repeated for

Mr. Stycos that the contracts amounted to about \$168,000 and an additional \$12,500 in additional revenue for a total of \$181,000 was added to the medical account.

Mr. Stycos asked Mr. Balducci where the \$12,500 came from. Mr. Balducci responded that an adjustment was made in June when they decided to increase the summer school revenue from about \$55,000 to \$67,500. Originally \$55,000 was budgeted, but then for summer school as originally adopted by the committee was increased to \$67,500. In error, Mr. Balducci kept it in line with the \$115.3 million but the reduction was made to the City appropriation account. He corrected, and it stays in line with what the city is currently giving the district. Throughout the year, he wants to make sure the district is in line when the figures are audited. Mr. Traficante commented to Mr. Balducci that he left the 3% in the revision for CAMS, custodians, and secretaries. Mr. Balducci added that everything else was removed. Food Service is one of the bargaining units being negotiated, but it is outside this operating budget; they have their own budget.

Mr. Stycos referred to the information Mr. Balducci had distributed to the committee at the November 14th meeting regarding the costs of the bargaining groups for the second and third years of the agreements. He indicated to Mr. Balducci that he had savings in cost sharing plan changes, and he asked him to explain it to the committee. Mr. Balducci explained that because cost sharing is a factor of the working rate provided to the district from the health

carriers, he projected a 13% increase in the amount of money he has to budget per family plan and per individual plan that is provided to the employee. Because cost sharing is a percent of the premium, if he is budgeting an increase in the premium then the value of the 5% cost sharing is going to go up. If he says that the value of the 5% in the first year amounts to \$500,000, that \$500,000 is going to grow because he is going to be taking 5% from the individuals based on a higher premium cost. He believed that some of the claim changes weren't kicking in until the second and third years of the contract. He is also taking into consideration a full year of claim changes because they were kicking in in January. From a fiscal year standpoint, they are worth more in the second and third years. Mr. Stycos indicated to Mr. Balducci that he didn't think he could put the cost sharing part in as a savings when he is not putting in the cost to the district of the rest of the increase in health insurance. That makes this look artificially small. Mr. Balducci responded that he believed the question was how much were the contracts going to cost the district in the second and third years, and if he read the resolution correctly, it was both cost and savings. Mr. Stycos said that he was correct. Mr. Balducci said that was why he was identifying it. Mr. Stycos indicated to Mr. Balducci that he wasn't identifying the extra cost of the health insurance, and Mr. Balducci remarked that he will do that when he builds the entire budget. Mr. Stycos responded that it is part of the contract. Mr. Balducci said that it was not. It was part of the overall budget that he has to develop for everything. It has nothing to do with the contract in particular. He further commented that he is

identifying basically what the district will save based on the increase in cost sharing.

Page 5 November 21, 2005

Mr. Votto interrupted and indicated to Mr. Stycos that if the district didn't have cost sharing there wouldn't be any cost sharing there. When looking at the medical budget, even if it goes up 10%, it will be in the budget as medical, but there would be no cost sharing. Mr. Votto further stated that Mr. Balducci is trying to show Mr. Stycos that with the development of the cost sharing from the savings you get from that, there is savings. Mr. Stycos stated that there are also costs, and they should both be reflected and not just the savings. The entire plan is going to go up. Mr. Votto responded that even if the district was under the old contract there was no cost savings so there would have been those increases anyway. He is trying to show the committee what the 5% or 10% will give every year because now it is in place when the committee did not have it in place last year. He is trying to show the committee what they are saving in health care even though health care is going up 10% or 15%. Mr. Stycos asked if this number were the total savings or was it the additional savings, and Mr. Balducci responded that it is the additional savings. Mr. Stycos remarked that the additional cost should be in there also. Mr. Balducci responded that he disagreed. Mr. Stycos told Mr. Balducci that he does this consistently where he puts in only half the story on the budget stuff. Because health insurance is going to go up 13%,

the committee will need an additional X number of dollars to pay the health insurance for the employees. It is true, also, that with the 5% they are going to pay part of it; but Mr. Balducci can't put in just the savings part when the costs are accelerated. Mr. Balducci stated that as Mr. Votto just explained he was going to have to account for it whether there was cost sharing or not. Mr. Balducci told Mr. Stycos that he asked him to spell out the cost of the teachers' contract in the second and third years. In the cost of the teachers' contract, there is a salary increase, but there is also associated savings because they are now contributing toward the cost of their health care so there is a net savings. Mr. Balducci further told Mr. Stycos that if he had asked him for the increase across the board on what health care, salaries, and utilities were going to cost him, he would give him that information. He said to Mr. Stycos that he thought he was very specific in looking at only one area. Mr. Stycos said it wasn't utilities because utilities aren't affected by the contract. The committee needs to know how much the personnel costs are, and personnel costs are both wages and benefits. He wants to know how much they are going to go up or down, and this revision doesn't reflect that. This revision would lead someone to believe that the district's costs for the teachers next year will be \$4.5 million higher than they are this year. The cost of the health insurance will be 10% higher, and it has to be put in there. To get the same people and the health insurance, it will be a lot higher.

Mr. Balducci told Mr. Stycos that this same argument can be used for

the certified pension which is going up next year as well. Mr. Stycos commented that maybe that should be in there too. Mr. Stycos told Mr. Balducci that he can put in cost sharing and say that it is only \$4.5 million because it isn't. Mr. Balducci told Mr. Stycos again that he disagreed with him. He further stated to Mr. Stycos that he asked for the cost and the savings on the negotiated contracts. Health insurance would have to be budgeted one

Page 6 November 21, 2005

way or another. Mr. Stycos responded that it is part of the contract so it is a contractual cost.

Mr. Stycos referred to page 76, MIS payroll supervisors, and stated that the salary went up \$3,000. Mr. Balducci explained that if the committee recalled last year there were some adjustments made mid year. He believed there were three positions. One of the individuals who is being paid out of this was one of them. It was done after the first budget revision. He addressed it in the first budget revision, but he was directed not to make those adjustments. The positions were the Director of Human Resources, the MIS Director, and another one. Mr. Stycos asked why he was directed not to include them. In response, Mr. Balducci said that it was a vote of the committee. Mr. Votto added that the committee passed the budget resolution by amending it by taking those out. Later on, they were put back in by a

memo from Mrs. Ciarlo. Mr. Votto told Mr. Stycos that he looked puzzled, and Mr. Stycos responded that he was puzzled. He told Mr. Stycos that he has to take some ownership with regard to the budget in terms of what he recalls. Mr. Votto showed the committee what occurred over a year ago. Mr. Votto said that he remembered distinctly that Mr. Stycos told Mr. Balducci that this money is in there, and the committee doesn't support it. At that point, the budget was amended, and it was removed and placed back in. This is budget to budget, and since it didn't make that first budget revision and it wasn't adjusted until the second one, it doesn't appear here. Ms. Iannazzi asked when that was and if it was this committee or the previous committee. Mr. Balducci responded that it was November 2004, and it was the previous committee.

Mr. Stycos stated that if the committee was sitting in negotiations, and they are wondering what kind of money they have to work with, and he indicates that it is important to know what kind of money the committee has to work with and is saying that it is important for the committee to know what kind of money they have to work with because there were a lot of changes since passing the budget, he asked if anyone said that the district had \$650,000. He stated, "No," no one said it. Administration knew that. Mr. Balducci responded to Mr. Stycos that he also knew. Mr. Stycos stated that he was asking the question. If Mr. Balducci knew the answer, he should have given him the answer to the question that there was \$650,000 there. Mr. Balducci responded that at the time they were negotiating, there

wasn't \$650,000 there. He referred to the last budget revision that was presented to this committee in July 2005, \$200,000 was identified. Mr. Stycos responded that there was \$450,000 then as reflected in this document. He asked Mr. Balducci why he didn't bring it up at that meeting, and Mr. Balducci responded that he knew he had other areas to be concerned about when this budget was built, especially health. Mr. Stycos indicated to Mr. Balducci that he didn't think it was important enough for the committee to know and for them to discuss what was important. He asked Mr. Balducci if he was instructed not to tell the committee about the \$400,000. Mr. Balducci responded that he was not instructed to tell the committee. Mr. Palumbo interrupted and told Mr. Stycos not to start doing that.

Page 7 November 21, 2005

Mr. Votto distributed to the committee the minutes of the January 19, 2005 meeting regarding the audit. Mr. Lupino read the minutes as follows: "Mr. Stycos referred to page 2 of the audit report and referred to the \$1.5 fund balance. He noted that it was broken down and asked Ms. Mitchell to explain these items. Ms. Mitchell explained that the reserved for encumbrances are items that the school department has issued purchase orders from various vendors and the goods haven't come in yet so they are not considered taxable payables, but for budgetary purposes, they are kept as expenditures. Therefore, they are reserved; they will be used. Those that are unreserved can be further designated. Certain funds can be

designated for certain things. In this case, \$250,000 has been set aside for self-insured Blue Cross, and \$650,000 has been set aside to be used for next year's budget. The undesignated is what is remaining, and the district can use it on whatever they want. The money can be used in the fiscal year 2004-2005 which is this year. Mr. Traficante asked if the school department, similar to the city, gets a management letter where recommendations are made by the auditing firm and the school department would reply to it. Ms. Mitchell responded that the firm did not write a management letter this year because they saw no need to do it. Mrs. Ciarlo remarked that this was a very good sign for the school department." Mr. Stycos remarked that apparently the committee was told on January 19th about this. Mr. Lupino interrupted and said that it is not apparent; the committee was told.

Mr. Stycos stated that every time Mr. Traficante gave his speech, which he gave many times, about the committee being \$1 million short, that was never mentioned. No one said that there was \$650,000 set aside that could be used. Every time that Mrs. Greifer said to the teachers' union that the committee didn't have any money and show them where the money is, no one said that there was \$650,000 set aside. It was obviously mentioned, but it was not widely told to the committee that there was this money. He further commented that if he were Mrs. Greifer and Mr. Traficante, he would be more upset that he is because at least he didn't make those speeches. This money just pops up at the end, and he is particularly annoyed about it

because it is the second time since he has been on the committee that there is this surplus, and it just kind of disappears. There is never any kind of open discussion that there is \$400,000 and the committee asked what to do with it. There are options of middle school sports and truant officer, and it was never brought up in negotiations despite a direct question as to what money there is available. Mr. Balducci distributed to the committee the complete documentation that administration put together in crafting the 2004-2005 budget and other related revisions. He further stated that at every opportunity, whether it was the budget or the revisions, he highlighted the use of the \$650,000 originally, and as he mentioned earlier, that amount dwindled down to \$450,000 as the last fiscal year concluded. He told Mr. Stycos that he was correct in stating that Mr. Traficante mentioned at every opportunity the dire need of possibly being in the hole for \$1 million. He was as concerned as Mr. Traficante, and it is his job to make sure that this school system does not run a deficit; and the state law says that he can't. He wants to make

Page 8 November 21, 2005

sure that he has ample opportunity to make sure it doesn't happen. Mr. Stycos responded that this is great, and if there is a \$450,000 nest egg, it makes the job a lot easier. However, those who are public officials out trying to figure out how the big picture is going to be put together as Mr. Traficante was, to have someone give that speech

repeatedly and not say that there is \$400,000 surplus that will attack that problem so that it is not a \$1 million problem but rather a \$600,000 problem. When someone like himself asks directly what money is available, and he put it in a phrase that he didn't know if the district had money available or they might be more in the hole than they thought, he was told at that meeting that the committee was going to get a report; and they did not get a report. He told his fellow committee members that he thinks that the way these budget revisions are handled is not in a manner that those who are not accountants can understand it. They are supposed to be deciding how the money is being spent, and they were told repeatedly that there was no money, whether it was Mr. Palumbo's proposal for an auditor, whether it was Mr. Lupino's proposal for a truant officer, whether it was his and Mr. Archetto's proposal for middle school sports, it was always that there isn't any money. Frankly, the next time that is said, he won't believe it any more because of this and other things.

Mr. Balducci commented that the committee has seen seventy-six pages of information every opportunity the revision comes before them. They see the pluses and the minuses. They are given this document at least one week in advance to review it. He is always available to answer any questions ahead of time if anyone has any questions and to help anyone read this document. Mr. Balducci further commented that he does see it on a day-to-day basis and is very familiar with it. He would be more than glad to explain it. To

make comments that it is not done in an open and fair manner and that the information is not provided to this committee, the committee is not going to get it any better than this. Mr. Stycos asked Mr. Balducci that if someone is making a proposal where is the problem. If someone is making a proposal to spend money, regardless of what the proposal is, and the Superintendent says that there is no money, and the district finishes the year with a \$450,000 budget surplus, what is he supposed to make of that set of facts. Mr. Balducci responded that he has other issues to worry about. The \$1 million that Mr. Traficante identified could have been \$1.5 million. Mr. Stycos told Mr. Balducci that he did not say it. He didn't say that the district has \$450,000 in surplus, however, I have these other problems that I am worried about. He told Mr. Balducci that he never told the committee about that money other than Ms. Mitchell telling the committee about it. Mr. Votto interrupted and stated that he begged to differ. He told Mr. Stycos that he had in front of him a budget document which he voted for, and there it is, \$650,000 on a budget that the old School Committee adopted on May 24th. He further told Mr. Stycos that the ownership lies with him to know that there is \$650,000 sitting there, and another \$450,000 was placed there. As a School Committee, they can't just sit there and say that they didn't know about the \$650,000. They knew about it twice, in January and in May. He told them not to lose their focus and blame everybody else. He told Mr. Stycos that as a public official he can stand in front of the

public and say that he was told about this, but now I don't remember it. He further commented to him that he didn't know whose fault that is.

In response, Mr. Stycos stated that his question has not been answered. The technique as a citizen he is supposed to be able to translate this entire document, and obviously he misses some things. However, the question is when Mr. Traficante had a proposal and Mr. Palumbo had a proposal, nobody said that this money was available. He specifically asked, and he remembered Mr. Balducci saying that he wanted to save it for the health account. He asked if there was going to be any surplus in the health account, and Mr. Balducci's answer was that they might have \$50,000. Mr. Balducci interrupted and said that he actually ran a deficit of \$130,000. Mr. Stycos continued that Mr. Balducci did not say that he might run \$50,000 and then, of course, there is the \$450,000 that is being held one side. Mr. Stycos stated that administration has to be more direct that when the committee is looking for money, they have to tell them where there is money if there is money, and if Mr. Balducci doesn't think it should be spent on a truant office or middle school sports, that is fine. He should give the committee his opinion, and they will decide as a committee what it is that the money should be spent on. But, instead, the committee is always told that there is no money; you can't do anything, School Committee; you are powerless.

Mr. Lupino commented to Mr. Stycos that he had referred to him talking about the truant officer and Mr. Palumbo speaking about another matter. When the committee agreed with Mr. Balducci and the other School Committee members that this money would be set aside, it was particularly for health care. They knew it from the very beginning. It is a very precarious situation, and the committee had consultants claiming one increase and the media saying another increase. It was his assessment that the committee knew it was there.

Mr. Palumbo stated that this happens every single time. When one takes a budget that is so involved and has so much money in it, there is always going to be something that one can't say that this is exactly the amount, and everyone knows that. He told the committee that Mr. Stycos comes up, and he always pulls something out that someone doesn't remember because he or she didn't do it, and no one else remembers it because they didn't speak about it. He speaks about it as if it were gospel, but tonight the committee saw two very good examples of where he was wrong, and he is wrong in other spots. He makes it look as if someone is doing it purposely. They are hiding things from him. It is not a matter of that; it is involved, and there is no question about it. One does an accounting background to follow it. Nonetheless, that is the way the system is built up. Either the system has to be changed or live with it and do a better job. He can't keep saying that because he doesn't remember something that someone is dishonest. That is what he refers to when he starts using

these innuendoes. Mr. Palumbo further commented to Mr. Stycos that he can't keep doing it, and Mr. Stycos responded that he is doing it.

Page 10 November 21, 2005

Mr. Traficante clarified that during this committee's budget process, he made it very clear to everyone that the committee basically reduced their health care line item account by \$2 million. They also reduced their pension relief account by \$600,000. Basically, the committee is in the hole some \$2.6 million. The committee received \$1.3 million from the State of Rhode Island for pension relief which basically gave the committee a \$1.3 million problem. The committee kept on saying that the \$1 million was so critical because they didn't get that \$1 million, that they didn't have a \$300,000 problem but a \$1.3 million problem. The committee still has that \$1.3 million problem because they still haven't seen any kind of action from the City Council. That was the budget picture when the committee was involved in the process. If he recalled correctly, during the last School Committee meeting, he thought the problem was that Mr. Stycos objected to the inclusion of CAMS, the custodians, and the secretaries being in the budget revision and that they should be removed. He thought this was the direction the committee was going in. Mr. Stycos stated that Mr. Traficante was right. Mr. Traficante further commented that when Mr. Balducci made the budget corrections, he assumed that the committee was on target that these

things were done. He couldn't see what the problem was tonight with the budget revision.

Ms. Iannazzi stated that she wanted to get down to the bottom line. She asked Mr. Balducci to presume that the district was not going to get the \$1 million from the City Council and asked him where the district is bottom line and what the procedures were for cutting. She believed that the last resolution that Mr. Stykos and Mr. Archetto sponsored asked for procedure to outline cuts not for the \$1 million that the committee thought they would be getting from the City but for all the other funding that they did not receive. Mr. Balducci responded that if the district doesn't receive the \$1 million from the City and he noted that he was able to put \$1.9 million in this revision into health, and as Mr. Traficante had noted earlier, they originally cut \$2 million. If the district doesn't receive the \$1 million from the city, that \$1 million will be taken right out of the health account. The district will not finish the year with a balance budget, never mind a surplus; there will be a deficit. Administration and the committee will have to begin the process of looking elsewhere for it. This budget is very tight to begin with, and it will be very difficult.

Ms. Iannazzi then stated that she wanted to be idealistic and the district would receive the \$1 million from the City. She asked how far off the district would be then. Mr. Balducci responded that it might be pretty close. His other concern right now is going to be utilities. If the district gets the \$1 million, he believes they will be able to meet all

contractual obligations. His only other concern will be utilities.

Mr. Archetto stated that Mr. Palumbo had a very good point when he commented that with a budget of this magnitude there will always be funds somewhere that will be shifted from one place to another. He further commented that perhaps the committee was notified on paper according to this document dated January 19th, but the messages

Page 11 November 21, 2005

the committee received during negotiations and during the numbers Mr. Traficante was expressing during public meetings, it was never mentioned about the \$650,000. All the committee heard from the finance people was that the numbers were gloom and doom. He was not saying that the committee was not notified; he was saying that the knowledge was not made that accessible to them. That is what Mr. Stycos is getting at. He again stated that in a budget of this magnitude something like this can happen.

Mr. Lupino stated that anytime Mr. Traficante mentioned figures, it was his assumption that that situation was always included. The figure was the figure. Mr. Traficante added that this surplus was not generated during this committee's term in office. This was generated during the previous School Committee's term of office. This committee should all be grateful that they have this surplus because the deficit would be even greater. The committee is fortunate that

they can carry it forward. Mr. Lupino commented that a majority of this surplus came from under projections for health care. There were a couple of good years where, fortunately, teachers were healthy. This system is self-insured, and claims came in less than projected. It is always based on a history for some of these projections.

Ms. Iannazzi stated that she understood that Mr. Balducci would be starting work on the next budget year soon, and Mr. Balducci responded that he would be starting tomorrow. Ms. Iannazzi indicated that it was very important from this step forward for the committee to have a little more open dialogue with Mr. Balducci, and she thought it would be a good idea for a couple of the committee members, which would be up to the Chair, to form a committee to talk with Mr. Balducci about how the budget can be presented in a way that makes more sense to them. As an example, the City presents a budget, which she finds much easier to read than this budget. Mr. Almonte had made some suggestions when he came to talk to the City Council and the school department together. Mr. Lupino responded that there is a budget sub-committee, and Ms. Iannazzi may wish to have discussions with Mr. Traficante and Mr. Palumbo to see if there is another way to do it. Some of this is driven by the way that it has to be presented through the State Department of Education. Mr. Balducci added that it is affected by the In\$ite report as well. Mr. Lupino added that it has to be done in a particular way. To start another budget that correlates this would be a monumental task. Mr. Balducci commented that the budget is presented in the

way it is is because as a committee they need to look at every single expense in the budget. To summarize it just by benefits and salaries, etc., the committee needs to see every single expense across the board. It may be sufficient for the general public but not for the committee. Mr. Lupino also added that it is grouped together so that the committee knows what the teachers are making in a particular building and where the benefits are. He doesn't see in the City Council budget how much is being spent on legal fees in a particular area. There is a general overview, but he never knows how much Mr. Laffey spent on suing the School Committee three years ago. Ms. Iannazzi commented that it is not identified in the School Committee's budget either. It is identified as an administrative legal labor

Page 12 November 21, 2005

relations account. Mr. Balducci commented that there is a special education legal account and also the one mentioned by Ms. Iannazzi.

Mrs. Greifer indicated to Mr. Balducci that the last time she heard him speak about the trend in health care, the numbers were down. Mr. Balducci responded that the district is trending less than last year but that is only through October. Mrs. Greifer thought Mr. Balducci had said that the district was about 94% of last year. Mr. Balducci commented that, unfortunately, the first two weeks of November have been more expensive than last year's first two weeks of November. Taking those two weeks into consideration, the district is breaking

even right now.

Mr. Stycos referred to Ms. Iannazzi's earlier comment that there was some association with the finance accountants of America. Mr. Balducci responded that there is an organization. Mr. Stycos further stated that this particular organization recommended a certain form for the budget. He asked Mr. Balducci what his thoughts were on this and if it was something this district could do. Mr. Balducci responded that he would have to take a look at the suggestions made before commenting on it. Mr. Stycos stated that this was one way to look of going in that direction.

Mr. Stycos asked Ms. Iannazzi if she wanted to be on the budget sub-committee because it use to have three members. Ms. Iannazzi commented that it might be helpful, but the point she wanted to make is that she appreciated the fact that the budget is broken down by school. It is missing the fact that it is not broken down by administrative department. For example, the committee doesn't know how much the salaries and the personnel department are costing the district or the salaries in the Business Office are costing the district. That is a line item that the committee would find particularly useful.

Mr. Stycos indicated to Mr. Balducci that he had sent a letter to the committee regarding changes to the certified pension. He asked if it was included in the revision, and Mr. Balducci responded that it was not. He indicated that those are the rates that will begin July 1, 2006.

It is about a 2% increase. When this year's budget was first being crafted, last year compared to this year the rate had gone up just about 2%, and now there has been a \$2 million hit in one year with regard to certified pension. That will be an area that will be addressed in the next budget and will be highlighted as one of the significant increases unless it changes before the budget is adopted. Mr. Traficante asked Mr. Balducci what it equates to in dollars right now, and Mr. Balducci responded that certified pension is based on salary so as salary goes up the district's contribution goes up. It will be an approximate \$2.5 million increase or \$2.7 million increase. This year as originally budgeted it was \$2.1 million. One of the other areas is non-certified pension. This year was actually the first year in a number of years that the district, as an employer, had to pay into that pension plan as well. This year it is only .008%. It is

Page 13 November 21, 2005

going from that figure to 3.14% so that area of the budget will be a little more expensive next year.

Mr. Stycos referred to the Director of Human Resources' raise and the raise for the HIPPA Medicaid Supervisor, pages 71 and 75, and asked if they were upgrades from last year. Mr. Balducci responded that changes to both positions were made after the first budget revision. In the case of Director of Human Resources on page 75, the current

working is showing that the salary is \$58,000. That position is currently being paid \$65,000. The adjustment was made after the first budget revision. Mr. Stycos asked if the salary is \$65,000 or \$67,000 because it shows \$67,000. That position is being paid at \$65,000, but there is a step increase as well. Mr. Stycos added that the revision that Mr. Balducci gave the committee with the CAMS agreement was \$12,000. Mr. Balducci responded that it also reflected a re-classification for that position. Mr. Stycos stated that the same holds true for the HIPPA position, and Mr. Balducci said he was correct. Mr. Stycos asked what was happening with CAMS, and Mr. Votto responded that Mrs. Ciarlo asked administration to re-work it. They met with Mr. Zisseron today and gave him their thoughts regarding trying to reduce the cost over the three years and Mr. Zisseron is going back to the drawing board to try to reduce it substantially from what it is currently.

Ms. Iannazzi indicated to Mr. Balducci that he had just mentioned that the Director of Human Resources' revision was not made in the budget revision. Mr. Balducci explained that it was not made in the first budget revision but the second revision which comes in front of this board in January. Originally administration had proposed it in the last fiscal year in the first budget revision, but those three changes were voted down, so he did not adjust that salary account until the second revision. When this document comes in front of the committee, it is still showing the lesser amount from a budgeting standpoint so it does look on paper that this position is actually

getting a substantial increase when, in fact, in reality it is not. Ms. Iannazzi asked Mr. Balducci if he had said earlier that the adjustment was done based on a memo that Mrs. Ciarlo had written. Mr. Balducci said that she was correct; it was made in the second revision. The committee had voted no to make those changes. Administration went back and spelled out the reasons why they were suggesting those positions be re-classified. He believed that Mrs. Ciarlo had left it with the committee that if anyone was in disagreement to contact her office prior to the next revision which was in March. She heard nothing back from the committee, so in the second revision, the adjustments were made to bring those positions up which was voted on by the committee. Mr. Stycos stated that the current working number is from the first budget revision so when Mr. Balducci describes it, it is exactly how he remembers it. When the committee voted not to make those upgrades in the first revision, then it didn't show up in this document.

Mr. Archetto stated that at the last meeting the committee had on the revised budget, Mr. Stycos asked the question about the \$10,000 that was appropriated to the library.

Page 14 November 21, 2005

He asked if this money had been appropriated. Mr. Balducci responded that it is still in the account. It is on page 73, six accounts from the bottom. It was budgeted there and remains there. It is

sitting in an account where the money will not be spent for that purpose. Mr. Archetto stated that this committee voted for that money to be sent to the libraries. Mr. Balducci responded that he did not believe that officially happened. It was not his understanding that this move would take place that the money would be moved from this account to the libraries. Mr. Archetto indicated that this committee voted to appropriate \$10,000 to the Director of Library Media, and this money was never appropriated. Mr. Balducci told Mr. Archetto that the committee would be voting on this document, and if they vote this evening to make a change, that is their call. It can be done this evening before this document is passed. Mr. Stycos responded that the committee had already done it. Mr. Palumbo asked if they were sure that that it took place. Ms. Iannazzi stated that it wasn't a vote but rather a consensus of the committee. She remembered when it occurred. It was a budget night, and Mrs. Ciarlo was unsure whether or not the grant would be coming. She promised that if the district got the grant and it was the will of the committee, that grant would be applied to library books. Mr. Stycos stated that it needs to happen. Kids are in school, and the committee needs to get them those library books. Mr. Lupino suggested to Mr. Stycos that he could propose it through a resolution on the next agenda. Ms. Iannazzi suggested that it be proposed as an amendment right now. Mr. Votto suggested also that there be an amendment, second it and vote on it. In that way, it will be official.

Mr. Stycos asked where the money would get moved to. Mr. Balducci

responded that if the committee requires the Director of Library Services to do a per-pupil allocation, that would be the fairest way of allocating that money, and it would be his recommendation. He would look at the population at a given school, and if it is \$7.00 per student for library, take that money and allocate it out. Mr. Stycos asked Mr. Balducci if he were recommending that it be allocated to a different account in every school, and Mr. Balducci responded, yes, that at each school location there is a library supply account. At the secondary level, it is further broken down between print and non-print.

Mr. Stycos moved to amend the budget revision as follows: The \$10,000 be allocated from the Director of Library Media salaries account equitably according to the traditional formula to the different schools to be spent on library books. Mr. Stycos added that this is the \$10,000 from the Director of Library Media salaries account.

Mrs. Greifer asked if it should state that it is for books or print materials. Mrs. Greifer stated that Heidi Blais, school librarian at Bain who was present at the meeting, said that it should be books.

Mr. Archetto seconded the motion.

This Amendment was adopted unanimously.

Mr. Archetto stated that he was seeing these numbers for the first time, and the committee received them fifteen minutes ago. Mr. Traficante stated that he had asked Mr. Balducci earlier that other than the removal of the CAMS, the secretaries, and the custodial which are the non-negotiated contracts, were there any other revisions, and he noted the \$12,500 change, he said there were no other changes. Mr. Archetto noted that the committee didn't have it in writing. Mr. Traficante went on to say that this is basically the same document that was given to the committee at the School Committee meeting last week. Mr. Lupino re-assured Mr. Archetto that with those three adjustments and now the amendment that was just made, this is the same document that he saw last week.

Mr. Stycos asked if the document had gone on the web site, and Mr. Balducci responded that the document has to be approved by this committee first. Tomorrow morning it will be on the web site. Mr. Stycos responded that the resolution called for it to be placed on the web site. Mr. Balducci indicated that a change was made to the revision this evening asking him to re-allocate \$10,000 from one account to split it among thirty accounts by the time he is done; it will change. Mr. Stycos said his comments were true, but the resolution said that it should go on the web. Mr. Balducci responded that at the time it was the cut list he asked to be placed on the web. Ms. Iannazzi added that the cut list is not on the web either. Mr. Balducci responded that there is no cut list. Mr. Stycos asked if the resolution

was just ignored, and Mr. Balducci said that it was not. He was hoping that the committee and administration could use this document in place of a cut list because this is a realignment of the budget. Mr. Lupino stated that the committee would need a legal opinion about this situation because in the past someone has downloaded something from the web that was not voted on by this committee or other committees, and that would go out to the press. It was not the final document. The committee would be putting themselves out to further law suits or legal action because it has not been voted on by this committee. Ms. Iannazzi stated that she disagreed. Mr. Stykos commented that the resolution was very specific, and it said that there was supposed to be a cut list prepared by November 9th. The committee was supposed to get it, and it was then going to be placed on the web. The committee would then meet on the 14th. As he sees it, there are two possibilities. One, the administration considers this to be the cut list in which case it should have gone on the web on November 9th like the resolution said because the resolution passed. Option number two is that there should have been a cut list, and there is no cut list. Either way, the resolution was basically ignored by the administration. Mr. Lupino stated that the resolution was also predicated on the City Council voting on the \$1 million. That has gone back several times in several different versions. It still has not been finalized now.

This Resolution was adopted unanimously as amended once.

VI. Adjournment

Moved by Mr. Traficante, seconded by Mrs. Greifer and unanimously carried that the meeting be adjourned.

**There being no further business to come before the meeting, it was adjourned at
8:30 p.m.**

Respectfully submitted,

**Anthony J. Lupino
Clerk**