

MINUTES
WEST WARWICK SCHOOL COMMITTEE
JANUARY 26, 2016
JOHN F. DEERING MIDDLE SCHOOL
WEBSTER KNIGHT DRIVE
6:00 P.M.

This meeting was called to order by Stephen H. Lawton, Chairperson.

Members Present:

Stephen Lawton, Chairperson
Christopher Messier, Vice-Chairperson
Rene Coutu, Clerk
Luis Colon

Member Absent:

Patricia Keenan

Administrators Present:

Karen Tarasevich, Superintendent of Schools
Melissa LeBlanc, Director of Human Resources
James Monti, Director of Educational Reform,
Compliance and Technology
Jessica Perry, Director of Special Education Services
Keith Remillard, Director of Federal Programming
and Innovative Practice
Joseph Spagna, Director of Financial Operations
Kenneth Townsend, Director of Property Services

Recording Secretary:

Michelle M. Colozzo

1. Open Session

Open Session

Mr. Lawton opened the meeting at 6:00 P.M.

2. Roll Call

Roll Call

The following members were present: Mr. Lawton, Mr. Messier, Mr. Coutu, and Mr. Colon. Mrs. Keenan was absent.

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3. Budget Workshop

Budget Workshop

Mrs. Tarasevich gave a brief introduction to the presentation of the budget which included the following:

- Presenting a balanced budget which stays within the five-year plan.
- Numerous progressive initiatives currently taking place in the district to prepare students with 21st century skills to make them college and career ready.
- Many other initiatives are in the planning stages to continue the progress in developing and implementing programs while remaining true to the town's fiscal stability.
- After several months and after review of all programs, general and Special Ed., while remaining in compliance with R.I.D.E. regulations and R.I. General Laws Title 16, we are presenting the FY 17 budget, and how it affects the long-range fiscal plan of the Town of West Warwick.

Mrs. Tarasevich then introduced Mr. Spagna to present the budget.

Mr. Joseph Spagna addressed the School Committee regarding the FY 2017 budget.

- Total Budget is \$54,957,208 which represents an increase of 2.7% or \$1,446,928 over FY 16.
- Major items are salary increases including:
 - Two full-time and one part-time teacher: \$180,000 and two full-time and five part-time teacher assistants: \$65,000 – due to four incoming Special Education students who would otherwise have been moved out-of-district at an approximate cost of \$280,000.

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This resulted in a savings of approximately \$35,000 and also added some capacity in Special Education classes.

- Addition of Grade 5 and technology teachers due to enrollment which also will provide more offerings to students—approximate increase of \$160,000.
- Increase in salary expense for positions of Director of Human Resources and Director of Federal Programming: \$149,000.

Mrs. Tarasevich noted that the two part-time positions were combined to create the position of Director of Federal Programming.

Mr. Spagna said the cost of \$42,000 was in the budget previously, so it was a net increase of about \$20,000. He noted that the position of Assistant to the Superintendent is no longer in the budget.

- As a result of contract negotiations with Council 94, a Step 5 and a level 2 teacher assistant category were added which increased salary expense by \$60,000 per year.
- All of the above items and step movement by other employees resulted in a total salary increase of 2.8% over FY 16.
- Fringe benefit changes
 - Certified Pension – decreased contribution rate - now tiered schedule based on years of service as of June 30, 2012, range anywhere from 1 to 1.5%; generating savings of approximately \$200,000.
 - Classified Municipal Pension increased by \$118,707 – number from the actuary.
 - OPEB increased by \$300,000 – number from actuary.

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The School Committee briefly discussed how the pension payments are made. Mr. Spagna said the school department mails the payment directly; it does not go to the town.

- Medical and dental expense was reduced by approximately \$265,000 from FY 16 due to adjusted working rates and the movement of the classified employees to the HSA medical plan.
- FICA and Medicare now more able to accurately budget for FICA and Medicare taxes – budgeted savings of \$175,000.
- Total benefits expense decrease of 1.4% over FY 16.
- Purchased services increased by 0.5% (Consumer Price Index rate) – approximately \$400,000 increase.

Mr. Messier asked if this does not include contract items, and Mr. Spagna said it does not.

Mr. Messier asked how close are we to the 0.5% when we look at previous years for our budgets— have we been pretty close? Mr. Spagna said in some areas we may be above and some below.

Mr. Spagna said last year we stopped non-urgent spending on March 15th, and because we did that, we saved some money. He said we will do the same thing this year as of April 1st.

Mr. Spagna also provided the following information:

- Special Education tuitions are up by \$220,000, a 17% increase.
- Charter school tuitions are up by \$88,000, a 45% increase.
- Third party personal care attendants (Perspectives) increased by \$100,000, a 33% increase.

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- Building improvements of \$100,000 will go toward the 5 year capital plan to be submitted to RIDE. Mr. Spagna noted that these improvements are 50% reimbursable. Mr. Townsend added that we cannot submit a 5 year plan without having funding in place. He said we have held off on putting together a five-year plan until we get some funding. He said it has to go through the town because the town has to fund capital improvements because all of the bonds go through them. Mrs. Tarasevich said setting up that fund was part of our work with the Department of Revenue.
- Technology related hardware: \$30,000 increase for annual Chromebook purchases and replacements.
- District-wide furniture: \$15,000 increase.
- Textbooks: \$12,000 increase for traditional and electronic textbooks. Mr. Spagna said we will try to put together a five-year plan for building improvements, furniture and textbooks.

Mrs. Tarasevich said we talked about that earlier this year when we asked for funds for furniture. Mr. Messier said we are going to try and lock that money in and if we don't touch it, we can use it the following year. Mr. Spagna said if you don't spend the money, it goes into the reserve, and he would have to come to the School Committee to ask to take it out of the reserve.

Mr. Spagna next spoke about revenue including the following:

- Sources of revenue: two main sources: state education aid and the Town of West Warwick, along with Medicaid and additional sources.
- Anticipated state education aid: \$22,827,356

Mr. Spagna said FY17 will be the 7th of 8 years of the funding formula. He said we will have one

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more year where we will get a bump, and after that it will be level based on enrollment.

- Local appropriation: \$31,557,516
- Medicaid Reimbursements: \$450,000
- Miscellaneous revenue: \$122,336
- Total Revenue: \$54,957,208

Mr. Spagna said as part of FY 16, the West Warwick Town Council received level funding and the school department agreed to level funding and to make up the difference, we cut \$120,000 from Special Education, \$100,000 from capital improvements, and used \$400,000 from the surplus. He said the Town Council stated it would return to level funding as stated in the five year plan; for FY 17 that would have been \$1,246,262.

Mr. Spagna said although the town is performing better, they have requested that they level fund us for 75%, which would be \$928,962 of \$1.2 million. In doing this, the school department will be supporting the town needs in eliminating 25%, \$317,570. He said we are requesting that the town include this over the next two years and increase the local appropriation by \$158,785 for both of those years, and we would still get the funding they had promised us. Mrs. Tarasevich said this would be on top of what is already in the five-year plan for each of those two years. She said they are honoring their agreement to give us the \$1.2 proposed—they will give us 75% of that agreement but not eliminate the other 25%.

Mrs. Tarasevich said the budget supports the district both educationally as well as programmatically. Mr. Spagna noted that salary and benefits are about 83% of the budget.

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At this point, Mr. Spagna asked if there were any questions from the School Committee. He then went through the questions that Mrs. Keenan had sent to him.

- Regarding the salary change – was it just the salaries or terms and benefits with it? Mr. Spagna said it was mainly salary.
- Another question was about the \$200,000 decrease in the FY 16 adopted budget and the \$150,000 decrease in the FY 17 budget projection in salaries in the Business Office section. Mr. Spagna said this was due to employee turnover.
- The last question from Mrs. Keenan was with regard to the municipal pension where the actual amount was included for FY 15, the adopted amount for FY 16, and then there were zeros. Mr. Spagna said right now, the payment has been out of one line item, other commitments; and at the end of the year, we will allocate it throughout the district. He said we are not at that point yet where we can apply a specific percentage to each employee, because the actuarial number goes up and down. He said we do the same thing with Workers' Compensation.

Mrs. Tarasevich thanked Mr. Spagna and said he did a great job and also the directors and principals. She said in particular this year, Joe's office had a new financial management system so it was double duty for them. Mrs. Tarasevich said the budget will be on the School Committee agenda for the February 11th meeting for approval. She said the first draft goes to the town manager on February 2nd. After the School Committee approves the budget, it goes to the Town Council, and they will let us know which date we will go and present to them and give us a chance to ask any questions. The last step is the financial town meeting, the third week in May.

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Mr. Colon said like we do at home, he would like to bump up any kind of savings. He said his objective would be whatever the surplus is now, that it would be bigger next year. He said he knows it's tough, but at the end of the day, that is what he would like to see. He said he knows that is what Kenny does with his crew. He said he would really like to see a great vision for the school long-term; he wants this to be a place where people want to come.

Mrs. Tarasevich said we wouldn't have a surplus if it weren't for Kenny, Special Education, Jim Monti, and other departments, if people weren't rolling up their sleeves and doing it in house. Mr. Colon said they appreciate it because we know what it takes. He said he would love to be part of a district where people want to come. He said he thinks we are doing that working with the town. Mrs. Tarasevich said the town manager told her last week that the Department of Revenue still talks about West Warwick being a model that we worked collaboratively.

Mr. Messier said he had a question about the five-year plan. It seems to be pretty strict for those five years—are you meeting with the town—what's the plan for keeping it going? Mrs. Tarasevich said after year one, we added a year; we never really will end it—it's ongoing. Mr. Spagna said it's not really static—it's really fluid—every year it has to be updated.

Mr. Messier said from our standpoint and the town's standpoint, the state had a mandate and we came up with a five-year plan; he wants to make sure as we go through we are always saying what's the plan five years from today. The numbers we have in here, is this what you laid out with the town? Mrs. Tarasevich said yes, with the updated five-year plan. Mr. Messier asked if the numbers are the agreed upon plan between the town and schools. Mr. Spagna said yes. Mr. Messier asked you have talked to each other—those are our working numbers? Mrs. Tarasevich said yes.

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Mr. Spagna said at the last meeting John Cimino looked at our number to make sure they are the same. Mrs. Tarasevich said we continue to meet with the Steering Committee. She said after the conversation about level funding, after the summer, she asked that we be updated with numbers; and they honored that. Mr. Colon said the town is not here because they had an emergency meeting. Mrs. Tarasevich said we touched base with them.

Mr. Messier said we talked about redoing the roof on the complex, putting the solar panels up, the windmills; the question is what happens once they are up and we see money coming in? Mr. Spagna said we will be able to lower some expense lines. Mr. Colon said we have savings because of solar panels—that's money put into the account for building improvements so it gives incentive.

Mr. Messier asked when is it starting—how is it coming through? Mr. Spagna said it comes as credits on the bill—we will get a bill for the full amount and then see a credit on the bill. Mr. Messier said the money from the solar panels on the windows—the town will see it on their budget and will start paying us to do this; it goes to the town, not us. Mr. Townsend said Narragansett Electric will give us a credit; we are also entering a power purchasing agreement.

Mr. Messier said his question is more maintenance of effort, if we are getting \$30 million from the town, will expenses be reduced for this savings with the credit going to the town? Mr. Townsend said it is a direct meter program; if it is a school program, it has to go back to the school meter. He said all the power being generated will be tied back to the meter; the accounts will be broken up.

Mr. Coutu asked is there a sunset on those benefits—at some point, does it turn over to our property? Mr. Townsend said it's a 20-year power purchase agreement, and within 15 years, we would be looking at renegotiating that contract. Mr. Coutu asked if

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maintenance is included, and Mr. Townsend said yes. Mr. Colon asked if there are other schools using this, and Mr. Townsend said yes. He said once the windmills are going, West Warwick will be the only town to have full electric green energy. Mr. Colon said a lot of people appreciate that.

4. Adjournment

Adjournment

MOTION MADE BY CHRISTOPHER MESSIER THAT THE SCHOOL COMMITTEE ADJOURN THE MEETING. Motion seconded by Luis Colon.

The following members voted in the affirmative: Rene Coutu, Luis Colon, Christopher Messier, and Stephen H. Lawton. Motion passed 4 to 0.

MOTION

Meeting adjourned at: 6:47 P.M.

Respectfully submitted,

Rene Coutu, Clerk

Michelle M. Colozzo, Recorder