

EAST PROVIDENCE SCHOOL DEPARTMENT

East Providence, City Hall

145 Taunton Avenue

East Providence, Rhode Island 02914

October 24, 2011

Open Session

Mr. Tsonos called the meeting to order at 6:30PM. Members Present: Luisa Abatecola, Stephen Furtado, Chrissy Rossi, Ryan Tellier, Charles Tsonos. Also present: Mr. Edward M. Daft, Interim Superintendent, Robert M. Silva, Esq. and Andrew Thomas, Esq.

The Pledge of Allegiance to the Flag and Moment of Silence were observed.

Mr. Tsonos introduced Mr. Daniel Wall, President and CEO of Bradley Hospital, who attended to make a personal plea to School Committee members to authorize the Chair and Mr. Daft, Interim Superintendent, to approve an agreement to pay \$4.5 million owed to Bradley for 2011. Mr. Wall stated that he is troubled by the financial situation in East Providence; however, Bradley wants to continue to service children and have agreed to a payment plan over three years. Mr. Wall stated that Bradley would like to have a productive, professional relationship with the city and the School Department; however, if an

agreement for payment is not signed, they will not be able to continue. Mr. Wall provided a one page summary of services provided by Bradley explaining that this program was recently described to attendees at a National Conference because the program is cutting edge and saves money by bringing students back to their home school district. Bradley would prefer the document be signed by the City Council, School Committee, and Bradley. Bradley wants to work with us in the future and the document would need to be signed in order for Bradley to receive a \$1.5 million dollar payment on approximately November 10th. Mr. Wall related that he has had some great discussions with the School Department staff, Mr. Daft, Ms. Ursillo and the team and that all are working well together to provide the best possible services for children; he asked that School Committee and City Council follow their lead and firm up the agreement.

Mr. Tsonos thanked Mr. Wall for attending to provide an opportunity for School Committee members to ask questions regarding the Bradley agreement.

Kathleen Mullen, Finance Director for the Groden Center, stated that Groden has always had a good relationship with East Providence, but could not go on taking lines of credit to run programs. Ms. Mullen has also met with administration on several occasions regarding \$900,000 due for monthly tuitions and asked what could be done to continue the program. Dr. Jane Carlson of Groden Center explained the services provided to children in East Providence through day and residential programs; 18 children are currently in the day program.

Officials from Groden hoped to continue their relationship with East Providence, but have not received any payments since March as debt is continuing to mount and they hear there is no money to pay them. They are willing to work with East Providence, but need something to go forward, attending the meeting in the hope that something could be worked out. Mr. Tsonos thanked representatives from Groden for attending.

FY 2011-12 Budget and Deficit Elimination Plan ¶ Mr. Daft explained that he and the Finance Director, Mary King, prepared a list of items after discussions with the City Manager and Auditor General. Mary King, Finance Director, presented the Deficit Reduction Options while explaining that none were optimal or favorable:

„X Moving employees to a High Deductible Health Plan with Health Savings Account. The School Department is now in the West Bay Collaborative, a self-insured plan insuring about 9000 employees from East Providence and other districts; although we have enjoyed savings, we are looking for any further reductions and have been working collaboratively with the unions. The deductible is based on the calendar year so there is a need to start as soon as possible. Estimated savings of \$800,000 - \$1Million dollars for FY 12 (implemented by 2/1/12); full year savings estimated at \$1.1 to \$1.4 Million; Ms. King stated that she will have more information available after a meeting this week; it is important for the employees to understand it. Mr. Daft commented that all bargaining units attended a meeting at City Hall regarding the Health Savings Accounts.

A motion was made by Mr. Furtado to go forward on discussions with

this health care plan, seconded by Mrs. Rossi. Mr. Tellier asked about teaming up with the city on this; Mary King stated that grouping together is not at that point; the city is part of the Trust and the School Department is with West Bay; we need longer term savings and she will look to the City Manager for assistance as we go along. All voted aye.

Mr. Tsonos introduced Mr. Peter Gracykowski, City Manager, who explained that the city has made the transition with one union and others to follow; the health savings account is always cheaper since there is more managed care in the long run and it places more responsibility on the insured individuals. The schools' savings may not be as dramatic as the city; they will look at an RFP for a better way to save money; no matter the climate, we have to look to 2014 as the key date the benefit is taxable to employees. He appreciated discussion and commitment from the city and schools as the city needs to come up with a plan in order not to have outsiders come in to tell us what to do.

Mary King, Finance Director explained additional Deficit Reduction Options:

„X Watters Building iV eliminate budgeted upgrades needed to bring the building in compliance with fire code; close building, saving operating costs; propose to scrap \$60,000 from FY 12 budget; we will find another spot for the tenant we presently have and relinquish the building to the city. Motion to approve by Mrs. Abatecola, seconded by Mr. Furtado. All voted aye.

„X Non Instructional Supplies - \$50,000 iV eliminated desk top

printers; using copiers instead; Motion by Mrs. Abatecola to approve, seconded by Mr. Tellier. All voted aye.

„X Central Stop for Non-Public School Busing ;V Estimated savings \$30K for FY 2012 if implemented in January 2012. Mr. Linneman explained how central stops would be established for outside private schools, which would cut down on bus runs; parents of about 100 students affected would be notified of the change; he has contacted RI Department of Education and will be having another meeting shortly to clarify issues and questions, such as requirements for bus monitors. Motion by Mrs. Rossi to approve, seconded by Mr. Tellier. Vote 5-0.

„X Reduction in Force; Primarily Special Education ;V elimination of un-mandated positions, grant funded positions and potential changes in case loads; estimated number of positions to be reduced ;V 23; 2012 estimated savings \$175,500. At the request of Mr. Furtado, Cheryl Ursillo, Interim Director of Pupil Personnel, explained that across the district, caseloads would be consolidated and funds could be used for new special education tuitions or other new program needs and that this is an opportunity to create new programs and new initiatives for students to return to the district. Discussion regarding how this would be implemented. Mrs. Rossi stated that she was not prepared to support this now and the School Committee requested more information. After discussion, School Committee agreed to table; motion by Mr. Furtado to table for future reference, seconded by Mr. Tellier. Vote 5-0.

„X Move 10 Out of District Special Education Tuitions at an estimated savings of \$65K for FY2012; full year savings estimated at \$500K. Ms. Cheryl Ursillo explained the program would be in East Providence Schools; students age out of the program; others forced to return ; always unknown how many students are coming in with IEP's; there is a cushion of 1-2 tuitions to mitigate that situation; Motion by Mrs. Rossi to approve, seconded by Mr. Furtado. Vote 5-0.

„X Elimination of All Athletics ¶ Estimated Savings FY 13 -\$48K; full year savings estimated at \$577K. Providing athletics is not part of the RI Basic Education Plan. Mr. Daft explained the ramifications of this option. Motion by Mrs. Rossi to not consider this option, seconded by Mr. Tellier. Vote 5-0.

„X Reduce Full Day Kindergarten to half day K across district ¶ estimated savings FY 12 is \$57K; full year savings estimated at \$450K with a reduction in force of 7 positions; and,

„X Closing one elementary School in the district ¶ After discussion, School Committee could not support reducing Full Day K or closing an elementary school; motion by Mr. Tellier not to support these options, seconded by Mrs. Abatecola. Vote 5-0.

Mr. Daft explained that the School Department has been asked to put all items on the table for consideration.

Summary of Savings: Additional \$1.2 Million for FY 12 -Mrs. Rossi

pointed out the budget is still about \$1 Million over for FY 12.

City Manager, Mr. Peter Gracykowski, explained that the city offered to pay for an exploratory audit which could give both sides an independent look and help determine if schools are over or under funded, if there are additional savings, or we have done everything possible. The audit would be conducted by an independent expert who has worked in several other municipalities; findings would help prove our due diligence to the state. A motion was made by Mrs. Rossi to approve the audit. Mr. Tsonos stated this would direct the School Department to agree to a city paid audit.

Mr. Silva explained that, within the category of deficit reduction, although not specifically noticed, it is not unreasonable to take an action to agree with a city paid audit as it relates to deficit reduction and the budget being discussed in public session. B & E has done an audit before and he believes them to be fair and independent; in fact, the city was told by B & E the last time that more money was needed from the city to the schools.

The motion was seconded by Mr. Furtado to proceed with the audit. Mr. Gracykowski confirmed that the auditors would be asked to look at the city finances as well within a one to three week time frame, as the deadline by the state is November 10, 2011. He asked for a basic recommendation, so they could start now and asked for permission to look at records. Unanimous Vote to approve the audit.

Motion by Mr. Furtado that the Committee convene in Executive Session for purposes of discussing: Litigation/Potential Litigation/Vendors -R.I. Gen. Laws §42-46-5(a)(2), Collective

Bargaining R.I. Gen. Laws §42-46-5(a) (2), seconded by Mrs. Abatecola. Vote 5-0.

The School Committee returned to Public Session at 9:30PM; motion by Mr. Furtado to reopen the public meeting, seconded by Mrs. Abatecola. Vote 5-0.

Motion to seal the minutes of the executive session by Mr. Furtado, seconded by Mrs. Abatecola. Vote 5-0.

Report Executive Session Votes:

Vote to approve the consolidation; Memorandum of Agreement for School Department Facilities Manager and East Providence Building Superintendent. Unanimous vote.

Vote to approve consolidation; Memorandum of Agreement for Chief Information Officer of City/School Department Information Technology Operations. Unanimous vote.

Motion by Mr. Tellier to move revised MOAs, seconded by Mrs. Abatecola. Vote 5-0.

A motion was made by Mr. Furtado to adjourn, seconded by Mr. Tellier. Vote 5-0.

Respectfully submitted,

Patricia A. Iannelli, Administrative Assistant

Stephen Furtado, Clerk of the Committee