



**TOWN OF ROCKY HILL
FINANCE COMMITTEE
MEETING MINUTES/MOTIONS**

In order to comply with Connecticut General Statutes regarding minutes of meetings, the following will be used to record information during all public meetings that take place. An original must be submitted to the Town Clerk of Rocky Hill within 48 hours of the meeting being adjourned. Motions should be complete, showing the maker and second of the motion as well as how each member voted. Unanimous votes may be listed as unanimous.

NAME OF PUBLIC BOARD OR COMMISSION	Board of Education Finance Committee
DATE MEETING AGENDA POSTED	December 16, 2008
LOCATION	Training/Conference Room
DATE OF MEETING	December 17, 2008
TIME MEETING STARTED	7:24 p.m.
PERSON PREPARING MEETING MINUTES	Jo-Anne Booth, Recording Secretary
VERBATIM NOTES TAKEN	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
AUDIO, VIDEO OR LIVE TRANSMISSION OF MEETING	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MEMBERS PRESENT AT MEETING

1. Rene (Skip) Rivard, Chairman	2. Maria Mennella
3. Catherine Vargas	4. Also present: Nadine Bell (Bd. of Ed.)
5. Charles McMonigle (Bd. of Ed.)	6. Frank Morse (Bd. of Ed.) (Left at 8:00 p.m.)
7. Superintendent Dr. Jeffrey Villar	8. Interim Finance Director Frank Connolly

NUMBER REQUIRED FOR QUORUM 2 QUORUM PRESENT Yes No

TEXT MOTIONS AND RESULTS VOTES

1st MOTION Passed Failed Tabled

Moved by Maria Mennella, seconded by Catherine Vargas, to adjourn the meeting at 8:41 p.m.

**FAVOR: ALL
MOTION CARRIED**

LINK TO WORKING NOTES (will be attached if available)
CORRECTION(S) (will be attached if available)

ACTION

TIME MEETING ADJOURNED: 8:41 p.m. .

TIME DELIVERED TO TOWN CLERK: _____.

Town of Rocky Hill
Board of Education
Finance Committee Meeting Working Notes
December 17, 2008

A Finance Committee meeting of the Rocky Hill Board of Education was held on Thursday, December 17, 2008 in the training /conference room. Chairman Rene (Skip) Rivard called the meeting to order at 7:24 p.m. Present were: Maria Mennella and Catherine Vargas. Also present was Superintendent Dr. Jeffrey Villar, Interim Finance Director Frank Connolly, Nadine Bell (Bd. of Ed.), Charles McMonigle (Bd. of Ed.) and Frank Morse (Bd. of Ed.) (Left at 8:00 p.m.).

I. DISCUSSION OF BUDGET FORMAT

Superintendent Dr. Villar told everyone that he would have Interim Finance Director Connolly walk them through the budget document. Superintendent Dr. Villar told them there are some traditional pages that they have seen in the past in the budget included in this and there are one or two pages that are new. They are trying to have a starting talking point of the budget as they go through the budget process. The document they will send to the Town will equate to the document that the Town produces. They are trying to go to an object level which is policy level discussion of the budget. He explained that this doesn't mean that they won't have backup for the budget. They have to have all of the pages for this material which they will have because they will be discussing this during their budget hearings. They are trying to bring the focus on what the policy level impact of the budget is because this is what they need to be looking at.

Mrs. Bell referred to the budget book that is similar to what they have gotten in the past and she asked if the Board of Education members are going to have that as well as the budget document that Superintendent Dr. Villar had just referred to. Mrs. Bell asked if the Board of Education members will have all of the backup or if they will have it only if they ask for it. Superintendent Dr. Villar said moving forward, the plan is to develop an object level budget and to go through the object budget. During budget hearings, there are always times where people will ask a specific question. He said they will refer to pages where they will produce the answer and give them the answer, etc.

Mr. McMonigle told Superintendent Dr. Villar that he didn't care about what is presented to the Town Council but he wants something like the detailed budget book prior to the budget hearings because it is the best way for him to go through the budget. He wants a copy of that. He said he has always found that what the Town presents is useless for him. Mrs. Vargas and Mrs. Bell were in concurrence with regards to getting a copy also.

Chairman Rivard told Superintendent Dr. Villar that he would like to hear what they have to say. Superintendent Dr. Villar asked Interim Finance Director Connolly to walk everyone through what they have. Interim Finance Connolly repeated what Superintendent Dr. Villar had said with regards to a lot of Boards of Education receiving the policy document from the Superintendent that lays out what the budget is as well as the major programs and the major changes. He said he would go through some of the tabs that are in this document.

Interim Finance Director Connolly said when he was on the town side, he remembers getting the big budget book from the Board of Education and they would put it on a shelf. The towns really never spend a lot of time going through the detailed things while a good published document gave them a lot of the information with regards to what was going on in the Board of Education.

Interim Finance Director Connolly said the intent was to put together a document that Superintendent Dr. Villar could provide to them that would give them a large picture of what is going on in the budget. Whatever detail the Board of Education wants will be provided as they go through their budget workshops in whatever format they want (i.e. by object code, by school, etc.).

Interim Finance Director Connolly said he was going to take a few minutes to go through this document. When this is opened up, the Board of Education members are listed. The first page of it is the Superintendent's budget message to the Board of Education. The key page is after the global, which is the summary. The budget has been taken and formatted into a basic Excel because it is a lot easier to read it this way than some of the financial reports. This is a simple way of looking at the budget. This has been broken down into a standard format. The center column shows what the program is and there is the object code. To the left of this is the current year's budget ('08-'09 year) and the year-to-date expenditures (as of December 31, 2008) will be plugged into this so they will have an idea of at least six months of expenditures into the fiscal year. The actual expenditures will be listed in the far left column. This will be what the final numbers were with regards to what was actually spent in the prior year. This is an actual spent and there are no budgeted numbers there. To the right hand side, the budget request will be shown that will be coming to the Board of Education from Superintendent Dr. Villar. The column next to this will be for the budget request increase or decrease in dollar figures. This is also done by percentage. Interim Finance Director Connolly said in just five minutes, the Board of Education members would have a handle as to what shifts are taking place in the budget and what the big changes are either on a percentage basis or on an absolute basis with the actual dollars that are in there. He referred everyone to the bottom of this page in the second column and he said this is the current adopted budget. He said in going forward that they can jump from the current year's adopted budget to the right hand side and they will immediately have a handle as to what is taking place in the budget. More detail will need to be gotten into but this policy level budget is a good way of showing everyone what is going on and where changes are in a fairly quick summary. This is a fairly easy way of reading the budget. In publishing it like this, a citizen as well as anyone on the town side would be able to follow it. This is formatted in Excel to make it easier to read.

Superintendent Dr. Villar said by having this cover sheet that this is the significant change. Mrs. Mennella said this is much better. Interim Finance Director Connolly said this is easy to track.

Interim Finance Director Connolly referred to the next section in this document. It is an informational item only and it is called "Grants". The Board of Education has \$1,000,000 off the budget that flows through the books. The grants that are flowing through the school system are listed. This is informational for the Board of Education. Interim Finance Director Connolly said these are important for them in putting the budget together because they net out the budget for the grants that come through. Some of these grants are one year ones and some are two year ones. He explained that the grants listed would be the grants from last year's budget and the grants from the current year. With regards to the federal grants, they won't know until October or November what is actually going to get awarded. For the most part, the federal grants have

been consistent from year to year. He explained that the grants are outside the taxpayers' budget. This has an impact on it but the budget numbers they wind up with are netted out for these grants.

Chairman Rivard asked if it could be listed as to which grants are state ones and which are federal ones. Interim Finance Director Connolly said this is a good idea and he said most of the grants listed are federal. He named the grants that are federal off of this list.

Mrs. Bell referred to a chart and she asked if the chart that is being discussed is the same chart as this one is but if it is in a different format. Superintendent Dr. Villar said it is very similar.

Mr. McMonigle asked if the grants run pretty constant from year to year. Superintendent Dr. Villar said these grants actually vary a lot and he mentioned that Title I was just gotten this year and this is the first year that they got this in quite awhile. Mr. McMonigle asked if they could put into this document a couple of years of history with regards to how much ECS money this town has received. There have been some big increases the last couple of years so there have been some hefty dollar increases to the Board of Education budget. He wanted to have pointed out that not all of these increases have been bore by property tax and that the state has picked up a bigger share. There have been big changes in the last two years and it was probably flat before that. Interim Finance Director Connolly mentioned that he has not put that in the document but he can certainly do this. When he was in Stonington, he did the revenue analysis on the budget and he gave it to the town. He passed a copy of this around for everyone to see. This shows public transportation, non-public transportation and ECS, etc. He mentioned activity accounts and he asked who gets the money when a school facility is rented out. Mrs. Bell said the town does because they own these facilities. Interim Finance Director Connolly said this is a revenue source to the town and he showed this in the revenue analysis. Mr. McMonigle said this would be great. Interim Finance Director Connolly said this shows the offset of the revenues that wind up going to the town and then a projection is done for the upcoming year. He told everyone that a tab can be put into the policy document for revenues and they can do some history on that. Mr. McMonigle told Interim Finance Director Connolly that he doesn't have to go back very far and that he can give people a couple of years of "flavor" as to where they are going and the projection also if it is possible. Superintendent Dr. Villar said this is a great suggestion.

Interim Finance Director Connolly said the next tab in the document is staffing. This will show a summary of new staffing requests if there are any so that this jumps out right away. He said the next page of this ties in nicely because they will take the schools and show the number of students, the projected class size, whether it meets this district's guidelines or doesn't meet them and the current staffing as well as what changes are being recommended for shifts. He mentioned what they are looking at for Stevens School with regards to staffing as far as increases and decreases. This summary has been traditionally for Moser School, Stevens School and West Hill School but he couldn't find it for Rocky Hill High School. Mrs. Bell said they have had a chart that has had the number of children in each class. Superintendent Dr. Villar said they have had a class size chart but it didn't necessarily give the staffing. Mr. McMonigle said they probably wouldn't have something like this for the middle school or for the high school. Interim Finance Director Connolly explained that this would be tracking the FTEs by program as well as by grade level. He told them he had a sample of this on his computer and he could print this out to show them. Mr. Morse asked Interim Finance Director Connolly if he has done this for the middle school and for the high school. Interim Finance Director Connolly explained what he has done. He explained that this summary allows them to track changes (i.e. decreases in

foreign languages, increases in science) and this also helps to track the student population at all four levels. There are also the staffing levels by programs. Mrs. Bell said she wouldn't mind seeing the sample after this evening's meeting. Interim Finance Director Connolly showed a model of this from Stonington.

Mr. McMonigle asked if it would make sense to put on this document or a separate document for the Board of Education members something with regards to how these projections compare to the projections that they based their referendums on. When the numbers were looked at, at the last meeting of the Board of Education, it seems like they are running above their projections. Interim Finance Director Connolly said this could be added in and this would be a great informational item.

Superintendent Dr. Villar referred to the FTEs and he said this is good to keep a tab on because they grow easily. Mr. McMonigle said the paraprofessionals tend to spring up all over. Mrs. Bell said every year the pool they have isn't reassessed and the pool is tended to be added to. Superintendent Dr. Villar said this is why having a count is an effective monitoring tool. Interim Finance Director Connolly said one of the most difficult parts of the budget is probably the paraprofessional budget.

Chairman Rivard referred to the chart they have with regards to the number of students and he asked if this is the current number of students or if this is the projection. Superintendent Dr. Villar said this is for Stevens School kindergarten and he said they will see that this is the least accurate of all numbers that they will see as they produce this chart. Chairman Rivard asked if this is a projection. Superintendent Dr. Villar referred to a sheet and he said this is new data. Chairman Rivard asked if there could be an advantage to having what the current number is next to the projected one. Mrs. Bell said this would have to be projected because it is for next year. Mr. McMonigle said they could just put the number of students projected and they can change the caption. Chairman Rivard said that would be okay. Superintendent Dr. Villar said the focus to him on this particular page is that either more staff is needed or less staff is needed. Chairman Rivard said what he is looking at is trying to avoid any questions with regards to if they have this projection and if this is more than what they have already along with if this is necessary and do they have to break this down per class, per teacher and per student. Superintendent Dr. Villar said this is a good point.

Interim Finance Director Connolly said as he went through the budget, he was trying to see what programs the Board of Education wants more information on in the summary document. He and Superintendent Dr. Villar have had conversations on this and technology was one of the ones that "jumped out". Interim Finance Director Connolly thought they could have a tab for this and that they could collect data on it, etc. A tab is not needed for everything but he said if they wanted that they could have a tab for technology or for athletics for example. There is already a tab for Special Education. He told the Board of Education members that if they want a tab for something in the summary document to let him or Superintendent Dr. Villar know and they can create information on that to have the data there as well as more detail on this in the summary document. Mr. Morse thought technology would be a great tab because last year this was a topic that was hot last year and they went over this for approximately four hours for a \$50,000 lease. Superintendent Dr. Villar said he watched a lot of the budget workshops from last year and he would rather answer questions ahead of time.

Mr. McMonigle asked Interim Finance Director Connolly with regards to the suggesting of additional tabs, if he wanted them to do this now or if they have a couple of days. Interim Finance Director Connolly said this is a work in progress. Mr. McMonigle said off of the top of his head that he would suggest that another tab should state sports because this is significant dollars. He said they will probably be balancing cuts from the classroom size and it would be nice to have a layout of what is on the sports size if they need to cut or add on either side so they can keep a balance on these.

Mrs. Bell referred to the document. She said it is a great overview and she thinks it is a great overview to send to the Town Council but she said they don't know what questions to ask or what they are agreeing to if they just sign off on this document. Superintendent Dr. Villar said he made a note to himself after Mr. McMonigle's initial comment earlier that they can produce this document to the Board of Education members and also provide them with the printout of the line items like they are more used to. Mrs. Bell said the Town Council has a second document. Mr. McMonigle likes the document and he said it is a great document to distribute to the Town Council. Mrs. Bell said it is a great document to distribute to the general public too. Mr. McMonigle explained that he would be more comfortable having the budget document they are used to so that he can understand more of the background. Mrs. Bell referred to the policy document and she said if the right question is not asked that they have no idea what they are voting for. She said not sounding disrespectful to Superintendent Dr. Villar or to Interim Finance Director Connolly that this district has a new Superintendent, a new Assistant Superintendent and a new principal at the high school. This will be their first time through as a group and they won't know if they are in sync with some of the issues. Superintendent Dr. Villar spoke about giving the Board of Education the information. He believes full heartedly in trying to transition and more importantly in establishing a good relationship and understanding. He referred to the tabs at the end of the document such as the new programs one and he said the purpose of those is to highlight the significant changes and to be transparent about them. Mrs. Bell said what is significant to one Board of Education member might not be significant to another. Superintendent Dr. Villar said it is a good transition to combine the documents. Every line will be broken down and they will have the ability to look at that if they are interested or so inclined to do so.

Mr. Morse referred to the tab for Special Education. Interim Finance Director Connolly said there is a tab in the document for Special Education because it is such a huge portion. Special Education ends up affecting regular education because the mandates are so strong for what has to be done for Special Education. He explained some more about this section. He mentioned how he sat down with the Special Education Director and went over the format with her that he wants Special Education budget put in. He also went over how the Special Education budget is going to be worked. The names of the Special Education students are private but the body count is public with regards to the number of them and where they are being sent. He explained the spreadsheet with regards to Special Education. This district is responsible for the first \$50,000 for every Special Education student that comes in. The balance of the money for the Special Education student is picked up by the Excess Cost Grant reimbursement that is filed for. He said if ten Special Education students come in and they are only \$50,000 a piece then the district gets no money back. There is then a \$500,000 hit on the budget that has to be absorbed. He explained some more about this. Mrs. Bell asked if these students were noted by school last year in the budget. Mr. McMonigle said obviously there were no names and no reference to the school. There was only reference to the type of tuition, how much reimbursement there was and what the net costs were. Interim Finance Director Connolly said they could generalize this

section more and just list where the Special Education locations are. Mrs. Bell said she is looking for some way to mask this a little. Superintendent Dr. Villar said they have a number that is used in the PowerSchool system to identify some facilities too. Interim Finance Director Connolly told the Board of Education members that more data is available if they need more detail. He said this document can be generalized more. Mrs. Bell said someone may ask what kind of facility costs \$114,000 per year for example and then the question will get answered but this won't necessarily be in a document that can get tied back to a specific family in town.

Mr. McMonigle referred to the bills they get for Choice, etc. and he said it would make sense to have a tab to delineate this because this is an uncontrolled cost. He mentioned magnet schools too. Superintendent Dr. Villar said there are proposed changes that would make a bigger impact. He said for the magnet schools that they are talking about putting out numbers for the actual tuition costs. He gave more detail about all of this. Mrs. Vargas asked as part of the magnet school tab if information can be included on Project Choice, GHAMAS and the Science Academy. Superintendent Dr. Villar said he is worried about where Choice is going and he spoke about the potential legislation with regards to this. He explained some more about this. He said Choice is a small revenue source right now but this could impact everything significantly. Interim Finance Director Connolly spoke about the subtlety in the excess cost reimbursement and this can go either adversely or positively for the Board of Education. When the Special Education Department files for excess costs and the district gets two payments a year, the first payment is received around February and they get 75% of what they are supposed to get. The second payment is received around May so the district gets 100%. This is based on the March 1st filing. If a Special Education child comes in after March 1st then there are major costs that have to be absorbed. This ends up being absorbed out of the operating budget because the reimbursement time is over. He gave more detail about this.

Interim Finance Director Connolly referred to the tab about new programs. He said if there is something new in the budget then there will be a tab for it so they will immediately have a handle on things. Mrs. Bell asked if there can also be a chart for things that are deleted so that they know they made a conscious effort and they agree to what they are deleting. Superintendent Dr. Villar gave an example of some type of program being deleted and he said his personal opinion is that it would be foolhardy not to inform the Board of Education that a major program was being removed. Mrs. Bell said she is talking about things such as major programs and not reams of paper for example. She gave an example of six electives being eliminated and she said that she would want to know this. She would like to see a list of this when they vote for the budget. Superintendent Dr. Villar said this is right and this needs to be transparent in this sense. If the budget comes in at a certain level then this also tells the town something if the Board of Education has voted to eliminate something. Mr. McMonigle said this tells something to the parents too. Superintendent Dr. Villar told the Board of Education members that he wouldn't want to bring them a budget with all of the programs recommended for elimination on it preliminarily. This would be a dire consequence kind of discussion.

Interim Finance Director Connolly said the last tab in the document is for the facilities budget and presently there are no dollars attached to it. This is just trying to identify the needs of this district. Superintendent Dr. Villar said he wasn't thrilled with the formatting of this page so they will change how this is listed. At the Joint Facilities Committee that he was just at, he said that they should have a Capital Improvement Plan.

The Board of Education would send a list to the town of the things that it needs annually. Large expenses should be planned for and put in place systematically. He sees this as part of facilities.

At the Joint Facilities Committee, it was also discussed that there could be some grant fund proposals out there.

Mr. McMonigle referred to the facilities operating piece that the town states it spends every year on the Board of Education's behalf for utilities and supplies, etc. He said there is absolutely no input from the Board of Education with regards to how this gets spent and there is no recording as to how much money gets spent on certain things out of this budget. He has a hard time believing that this much money gets expended on the Board of Education's behalf with no input from it on how to spend it or no reporting back on where it did get spent. He said they are the client and they get nothing. Superintendent Dr. Villar thinks this should come back into the Board of Education's budget. Mr. McMonigle agreed but he said in the meantime that they should start to push for it. The decisions with regards to this are being made by people who don't live in the school buildings. The principals don't have control or input. He has spoken to some of the principals about this and they have ideas about some of the things that they would rather like to see the town do or not do. Mrs. Bell said the town isn't always cooperative with the administration.

Interim Finance Director Connolly asked if this was a cooperative venture between the town and the Board of Education. Mr. McMonigle said this wasn't necessarily and fifteen years ago the Board of Education decided that it didn't want to do this so it turned over management to the town. Interim Finance Director Connolly said the Board of Education had to have agreed to this because by statute it has full authority. Mr. McMonigle said by statute that they could take this back tomorrow. Mrs. Bell said they just might not get the money. Mr. McMonigle suggested that they get in front of this and he explained some more. Interim Finance Director Connolly explained that there is an operating cost to this which is what the day to day operation cost is of running schools and the other part is the Capital cost. A Capital budget would be adopted by the Board of Education for major items which include very systematic numbers in the budget (i.e. roof repairs - \$10,000 per year). By doing this, there would be a very uniform level of expenditures for the next five years. After the Board of Education adopts this, it would be sent over to the town. He explained that there has been a court case over the issue of who has control over the Capital Improvements budget for educational expenses. The courts ruled that once this is in the Capital Improvements budget then it belongs to the town.

Mr. McMonigle said this Capital Improvement budget was really an expenditure item every year so it wasn't the whole savings account concept because they couldn't carry it over. He confirmed that there would be the Capital Improvement Plan for the next five years but the spending over that time would be prorated too. Interim Finance Director Connolly said they would figure out what they are going to spend every year and he said this Capital budget does not lapse at the end of the fiscal year. Integrity of this is maintained. He explained that if \$5,000 wasn't spent for carpet repairs this year then there would be \$5,000 that gets carried over to next year. Mr. McMonigle said they are incumbent upon the town to save this money on the Board of Education's behalf. He explained that as a district, they can't carry money over. Interim Finance Director Connolly said absolutely. This builds a relationship between the Board of Education and the town. He said towns generally honor what the Boards of Education do because when the Capital budget is adopted overall, they say they are committed to spending the money on these particular funds. The town will not touch these funds until the Board of Education notifies the town that it no longer needs that money.

Mrs. Bell spoke about the Capital budget and she asked Interim Finance Director Connolly if he ever ran into a situation such as this district's where that fund "was robbed" to pay for a boiler that broke, a roof that leaked or something that was outside of what that money was allocated for. Interim Finance Director Connolly said yes and he gave an example of a boiler that went in another school district. They sat down and looked at the money in that Capital budget. They then went to the town and said they wanted to allocate some of that money. They said they could give up some of the things they had in there to help pay for this. They then took some of the Capital money with the town's approval and then they took some money from the operating budget.

Mrs. Bell said that she was concerned about any town that has a situation that this town has where the Board of Education doesn't own the facilities. She asked if this will be out of their control and she questioned about this fund that they were accumulating to pay for something five years from now being depleted because a choice was made on the town's side in the absence of the Board of Education. Superintendent Dr. Villar said from his experience, this was done a little differently because he had been in a larger city with a much larger budget. The Capital Improvement Plan was generally projecting significant building maintenance projects (i.e. roofs and boilers, etc.). These things were organized and prioritized by the Board of Education. On an annual basis, these were sent over to the town. The whole plan ended up being changed if there was a disaster with some roofs for example and the whole cycle ended up being impacted. Smaller things were handled in the Board of Education budget.

Mr. McMonigle gave an example of a situation where the Board of Education has a Capital Improvement account and there is a roofing disaster on a non-school building. His fear is that the money would just be sitting out there. Superintendent Dr. Villar said the truth is that the town owns all of the buildings and they can prioritize their expense on them. Interim Finance Director Connolly said there has to be a level of trust between the Town Council and the Board of Education over the years that need to be maintained. He said the Board of Education has responsibility for the facilities but it doesn't own them.

Interim Finance Director Connolly said he doesn't know how the Board of Education budget has been presented in the past. He asked them if they want a PowerPoint presentation done like an overview on the first night that they receive the budget. He said that he has taken the Board of Education budget and translated it into the mill rate to show the budget impact. He could show what the budget increase impact would be on the current mill rate. The impact generally goes down because of the new Grand List that comes into effect. There was a brief discussion about the translating of the Board of Education budget into the mill rate and the decision was not to do this.

Mr. McMonigle suggested that the Board of Education budget be opened with a PowerPoint presentation because this will be the presentation that will be used for the Town Council. Slides of the PowerPoint presentation can be changed as the Board of Education changes the numbers. Interim Finance Director Connolly said this presentation will go over to the Town Council to show what action the Board of Education has taken to improve the budget, etc. Chairman Rivard said something like this might be good to put on community T.V. and the website also once it is finalized.

Interim Finance Director Connolly mentioned about adding to this PowerPoint presentation highlighting positive things that have been accomplished too so that the budget is tied into program performance. He explained some more.

Mrs. Vargas referred to the tabs in the budget document. She mentioned that benefits have always been a hot topic. Another tab she would like to see is for transportation. She said that there is an agreement with the bus company and she is not sure where they are with the contract with the bus company. Interim Finance Director Connolly said there are two more years left and it will be 4% for each of the next two years. Mrs. Vargas thought this would be a good page to have in the budget to remind them where they are with the contract. The dollars for transportation are big dollars. Interim Finance Director Connolly said the benefits have been broken out. Subgroups have been gone into for this in order to try to break it out. Mr. McMonigle said the numbers listed are net of the premium share and he suggested that on the schedule, the gross cost of the premium shares could be shown along with a little history of the premium shares. Interim Finance Director Connolly said he hasn't looked at the numbers yet but he has found that even though the teachers are the highest paid employees that they are also the highest percentage of the premium cost sharing. Mr. McMonigle said an estimate will probably have to be made on what they are doing with the HSAs. He said it would be nice if a little time was spent on the changes in the net costs and the different kinds of programs to let people know that they are trying to manage the costs. Mrs. Vargas said they have had some bad experience over the past years. Interim Finance Director Connolly said they have had two years of losses and they have had negative numbers the last two years on their health insurance history.

Mr. McMonigle said they will be putting out the RFPs (Requests for Proposals) for the health insurance. He doesn't think they went out last year. For the last couple of years, they have wanted to go out to get quotes from the different carriers. Three or four years ago, they got four different carriers to quote. Last year, only two different carriers quoted. They didn't want this because they weren't interested in the structures of this district's health plans. A lot of changes were made to the out-of-pocket expenses, the out-of-network expenses and the prescription co-pays in the last teachers' contract. Superintendent Dr. Villar mentioned Cigna and Anthem Blue Cross. Mr. McMonigle said these were the only two who came back with bids. Interim Finance Director Connolly said he had met with Bob Lindberg who indicated that they had gone out and gotten quotes. Mr. McMonigle said one of the reasons they worked hard with regards to the last teachers' contract was to get some structural changes. With regards to the numbers they were using in the negotiations, Bob Lindberg had said that the changes they made in the prescription co-pays were worth 1% to 2% of the total gross premiums. Bob Lindberg thought that based on the market that existed six months ago on health insurance, the structural changes they made could be worth as much as 4%. Interim Finance Director Connolly asked if this is in the teachers' contract that is taking effect this July 1, 2009. Mr. McMonigle said yes. Interim Finance Director Connolly asked if Bob Lindberg knows what changes have been negotiated. Mr. McMonigle said they went with his suggestions and they got most of what he had asked for. Mr. McMonigle doesn't know if anyone has gotten back to him. Superintendent Dr. Villar remembers Gary Brochu talking with Bob Lindberg during negotiations about the costs. Mr. McMonigle said they still have some non-certifieds open. The nurses and the secretaries have agreed to basically the same structure that paraprofessionals have.

Interim Finance Director Connolly asked if there has ever been a discussion with regards to the town and the Board of Education having one insurance. Mr. McMonigle said the town doesn't want to do this because the underwriting for the Board of Education is brutal. It would work for the Board of Education but not for the town. Mrs. Bell said this has to be looked at globally and this is all town taxpayer money. Mr. McMonigle said it makes sense when it is looked at this

way and if this door can be opened then it would be great. Interim Finance Director Connolly said there are different ways of looking at this.

Chairman Rivard asked if there was anything else for this evening's meeting. Superintendent Dr. Villar thought this was a very healthy dialogue that will end up in a document that will meet all of their needs quite well. This more than exceeded his hopes for this evening. There was clear feedback as well as subtle changes and different changes. They obtained information that was necessary and they got great ideas to strengthen this.

Mr. McMonigle asked Superintendent Dr. Villar if they have any other thoughts about this if they can send an e-mail to him. Superintendent Dr. Villar said that his attitude in the whole budget process is that if any question can be answered before the budget process or if he can produce information that answers the question, this will save everybody time. His philosophy about the budget is that it is not him doing a "shell game" to hide money but it is for him to be transparent about what this district needs, how they are spending, what they are spending it on and why they are doing it. He said they want to be able to share what the numbers are, to explain the philosophy behind this and to answer questions. He is glad that Interim Finance Director Connolly is on board and he said former Finance Director Turansky did a good job on "passing off the baton".

Mrs. Bell asked if this is the first time that Mrs. Christine Flynn (Superintendent Dr. Villar's secretary) has put together a budget. Superintendent Dr. Villar said the Business Office personnel are doing this work. Mrs. Bell said some extra time will be required and this is a learning curve. Interim Finance Director Connolly told her that she was correct.

Mrs. Bell said it probably will take a lot more time than it has taken in the last couple of years when it comes down to the last assembly of the budget book because of people who are unfamiliar with the process of doing so.

Interim Finance Director Connolly said they are doing things a little differently. They are identifying every single teacher by name, by their degree, by step and by longevity, etc. They are doing this by creating a single spreadsheet so that he and Superintendent Dr. Villar will know exactly who is on board and what their salaries are. They will use this for the analysis of any shifts that have taken place from when the budget was adopted. This had to be reconstructed from scratch. It is very nice and it gives them control to make sure they have all of the teachers and to make sure they are advancing them. This also gives a good control for the FTE. Mr. McMonigle asked if they didn't have this before and he confirmed that this is the same thing but it is just in a different format so that it is easier for them to figure out. He said previous budgets were constructed with particular individuals in mind. Superintendent Dr. Villar said one of the huge obstacles that they have been trying to overcome since July is that 95% of the files that were stored on the computer that was used by the Secretary of the Superintendent were corrupt and unable to be opened and saved. Mrs. Bell asked how this happened. Superintendent Dr. Villar said no one had an answer to this other than that the backup didn't work. He said Mrs. Flynn has been "recreating the wheel" on a lot of things.

Mrs. Vargas asked about the budget process. In the past, the Board of Education members used to get the budget book prior to the first budget meeting and she asked what they should be expecting. Superintendent Dr. Villar said they would like to get them information as soon as they can. He has had this conversation with Interim Finance Director Connolly. Superintendent Dr. Villar said he is planning on being available during the holiday break and Interim Finance

Director Connolly will be working during the holiday break. The budget is their number one focus. Mrs. Vargas asked if they are just going to be given the budget document or if they are going to be given the budget book that has all of the detail. Superintendent Dr. Villar said they will also have the detail. Mr. McMonigle said if they have this in advance then they can run a lot of questions beforehand. He said these are question that don't have to be answered in the meetings. Mrs. Bell said this helps them to understand the transition. Superintendent Dr. Villar said this is going to be difficult.

Mr. McMonigle brought up something Mrs. Calciano-Coler had said at the last Board of Education meeting with regards to them paying premiums for employees that they don't have. He asked where this came from and he asked if this is true. Superintendent Dr. Villar understood that this question was asked during negotiations. Chairman Rivard said this was asked during negotiations.

Moved by Maria Mennella, seconded by Catherine Vargas, to adjourn the meeting at 8:41 p.m.

**FAVOR: ALL
MOTION CARRIED**

Respectfully submitted,

Jo-Anne Booth
Recording Secretary

Accepted by: _____ Date: _____