

Chariho School Committee Meeting
Budget Workshop - January 3, 2015

Committee Members Present: Chair Craig Louzon, Ronald Areglado, Donna Chambers, William Day, Stephen Huzyk (left at 11:40 AM), Lisa Macaruso, Kevin McGreevy, Keven Miller and Georgia Ure (arrived at 10:25 AM). Absent: George Abbott and Vice Chair Sylvia Stanley.

Also in attendance: Superintendent Barry Ricci, Assistant Superintendent Jane Daly, Director of Administration and Finance Brian Stanley, Human Resources Administrator Susan Rogers, Administrative Assistant to the Director of Administration and Finance Lisa Fiorio, Parent Liaison Catherine Giusti, School Committee Clerk Donna Sieczkiewicz, Hopkinton Town Council Vice President Barbara Capalbo and Chariho Times Reporter Catherine Hewitt.

I. Meeting Call to Order/Pledge of Allegiance/Silent Meditation

Chair Louzon called the meeting of the Chariho School Committee, which was held in the Chariho Middle School Library, to order at 9:02 AM. The Pledge of Allegiance was followed by a moment of silent meditation in memory of Chris Ancona (a recent graduate of Chariho who passed away).

II. Budget Workshop

Superintendent Ricci stated that this is his proposed budget; it becomes the School Committee's budget after the Committee approves it. He has added a new item to the agenda: Adjustments to Superintendent's Proposed Budget. This will provide an opportunity for changes. This year's Omnibus Meeting (scheduled for January 14th) will address only the budget. He reviewed pertinent budget dates with the Committee. We are required by law to follow the Uniform Chart of Accounts which makes it somewhat difficult to follow as funds for a specific need may be found in several different line items. They have reappropriated the surplus being returned to the towns based upon the percent paid by the town in the previous year. This change was requested by former member Bob Cardozo and approved by the Committee. He has assumed level funding from the State this year as we do not know at this time what the amount will be. He then presented his Power Point and highlighted several changes; one being the addition of a clinical day classroom at Ashaway School. This will allow for the return of two students placed out-of-district this year plus there are two more requiring this service. He anticipates a cost savings by going this route. Discussion ensued on federal mandates including preschool students. Keven questioned the program at Richmond School and whether or not the District is in violation. Superintendent Ricci stated that not all kids with IEPs go to Hope Valley Preschool. Some of the students at Richmond School have IEPs and we are required to provide services for them. Ron stated that he does not interpret this as a violation of the Chariho Act as we must have regular ed students in these classrooms as well (required by law). The Superintendent briefly explained the facility plan and noted that this budget includes funding for a Facility Study update which is required by the State. We do have a larger than normal unassigned fund balance due to the delay with 1:1, the restructuring of TE@CH, lower charter school and out-of-district tuition expenses. Keven questioned changes to staffing to which the Superintendent noted that we will have about the same number. His budget calls for a .75% increase in the operating/capital expenses. Member town contributions will be about a million dollars less than last year due to the surplus. He provided an explanation of the fund balance (divided in five categories: non-spendable, restricted, committed, assigned and unassigned). Keven noted his concern with the fact that the District is not spending everything it budgets for; he is struggling to understand how they will end up with a 3% surplus in 2016. Superintendent Ricci noted that this is not a projection; we are required to keep 2-4% surplus; he is planning on 3%. If we have more than that, it will be applied to the following year's budget. Most members noted that it would not be a good thing if the District spent all that was budgeted or overspent. Steve added that this is not like one town; this is a District. They would have to go back to all three towns and ask for more money. They can't be certain that all three towns would agree to this. They need to have the ability to cover emergencies. Chair Louzon referenced the expense to the District to replace the Hope Valley brickwork which was not anticipated.

If was a good thing that we had the money in surplus. Bill stated that it is up to those individuals who feel the District is overspending to make cuts. The School Committee is charged with this so if you feel a cut should be made, make a motion. Barbara Capalbo noted that tightening the budget does make a difference and she has found recently that this has been done. The Superintendent stated that \$405,000 has been reduced from the budget. After looking at the history (trends and one-time events), 25% was deducted (resulting in \$405,000). He feels that it is unfair to the towns to have spikes up and down. This is a conservative estimate. Brian added that this is a guess. It is only the second year this has been done and they are not sure if it will have a negative impact or not. This year they will have some history to see the impact.

Chair Louzon called for a recess at 10:00 AM. The meeting was reconvened at 10:10 AM.

Discussion ensued on whether or not the School Committee would follow past practice and go line by line. Keven Miller made a motion, which was seconded by Kevin McGreevy, to ask administration to give more of a budget overview versus going line by line. They would like more detail first. Superintendent Ricci noted that everyone has an Executive Summary that captures the budget overview. He and Brian Stanley have prepared their notes going line by line as there was no indication that what has been done for the past fourteen years would be changed. Keven Miller withdrew his motion and Kevin McGreevy withdrew his second.

The Committee began the line-by-line review. Keven Miller made a motion, which was seconded by Georgia Ure, to change line 17 (on page 2) from -\$35,384 to -\$50,000 (this figure is more than the 25% that was deducted). Kevin suggested that instead of reducing the salary line item, could they move the reduction to surplus? Ron stated that he is not in favor of taking extra money out at this time as there are great uncertainties. It is an issue of financial philosophy.

Ronald Areglado made a motion, seconded by Stephen Huzyk and it was VOTED: To move the question. In favor: Areglado, Chambers, Day, Huzyk, Louzon and Macaruso. Opposed: McGreevy, Miller and Ure. As there was 2/3 in favor, the motion was approved to move the question.

Keven Miller made a motion, seconded by Georgia Ure and it was VOTED: To change line 17 (on page 2) from -\$35,384 to -\$50,000. In favor: McGreevy, Miller and Ure. Opposed: Areglado, Chambers, Day, Huzyk, Louzon and Macaruso. The motion failed by a vote of 3 in favor with 6 opposed.

Barbara Capalbo had a question on line 30 (page 2). Superintendent Ricci stated that this position is for a Reading Consultant and funding was moved from the operating budget to a federal grant. Barbara suggested that the District might want to consider adding staff in Reading. Barbara then questioned why PE/Health was going up. Brian responded that they are doubling the amount of PE time at the High School plus adding a PE elective. This could end up being a shift. Georgia stated she doesn't understand this. Is it law? Brian replied that it is not law. The School Committee, on a recommendation from the Health & Wellness Subcommittee, agreed to increase PE time a year ago. Lisa questioned on what step are new hires figured at for budget purposes. Superintendent Ricci responded that they usually budget at 3rd step. Lisa noted a concern if there would be enough money to higher someone at a Masters level to which the Superintendent replied that the overall budget would allow for this. Chair Louzon commented that some decisions made in the past by the Committee will have an affect on this budget. A lot is self-explanatory. Georgia asked about line 1 on page 2. Superintendent Ricci stated that this is for the clinical day program at Ashaway School. Georgia was concerned with which town would be charged. Superintendent Ricci replied that the town of residence always pays for the student. Georgia then noted her displeasure with placing this class at Ashaway as she fears this will affect the test scores at the school. Bill noted that these comments have nothing to do with the budget. Georgia disagreed and Keven agreed with her to which Chair Louzon and Ron both commented that this area of discussion (test scores at Ashaway School) has nothing to do with the budget. Chair Louzon asked the Superintendent why Ashaway

School was chosen for this program to which the Superintendent noted that there was room there and there are no self-contained programs in this building. Barbara Capalbo asked about the CTC Culinary Arts position. Superintendent Ricci explained that enrollment is up so this position will go back to 1.0 FTE. After much discussion on only a few line items, Stephen Huzyk made a motion, which was seconded by Donna Chambers, to accept the budget as proposed. Kevin disagreed with the motion as he feels this is what the School Committee was elected to do. He realizes it takes time. Donna replied that she feels that some members are micromanaging again. Bill stated that he, too, disagrees with the motion. They are elected to present a budget and he feels the Committee would be bailing out on this obligation. He agreed that some people were trying to way lay the process. Ron agreed they should continue going line by line but that members should be ruled out of order when they get into programmatic discussion as that is not their purview. The Chair should allow each person the opportunity to speak two times for two minutes each time and he respectfully asks the Chair to adhere to this. Keven felt the Committee needed to understand the details of a program to which Chair Louzon responded that is a matter of opinion. The impact on test scores or the impact of a program on other students has nothing to do with the discussion on the budget. Lisa questioned what would happen if the motion was approved. Superintendent Ricci explained that there would be no more workshops and no changes could be made to the budget. Barbara felt the public had a right to state what they would like in regards to the budget.

Stephen Huzyk made a motion, seconded by Donna Chambers, and it was VOTED: To accept the budget as proposed. In favor: None. Opposed: Unanimous. The motion failed by a vote of 0 in favor with 9 opposed. Chair Louzon noted that Steve's point was made and they would move on.

Keven noted a discrepancy on the 51110 line total. Brian explained that they had some issues with reconciling the budget this year and they had to have Keystone step in. He is not sure if this is related to the issue they were having but he would check it. Keven made a request for the next budget meeting. He would like the budget impact from FY14 to FY15 (salaries) and compare the contract change for FY15 to FY16 (where we were and where we will be). Brian responded that he cannot provide what Keven is requesting. Chair Louzon noted that this has nothing to do with the budget before them. Barbara Capalbo stated that she appreciates the fact that the District solidified and stabilized the salaries. She commented on the increase of \$10,000 for subs. Superintendent Ricci explained that they take a three-year historical average. There is no way they can predict who will be out on medical or maternity leave. There was no increase to the amount a substitute is paid. This amount is based on actuals to which Keven asked, "Do we use actuals anywhere else?" Superintendent Ricci noted his disbelief in Keven's line of questioning as they use actuals all the time. Kevin noted a concern on page 24 (\$200,000) to which Superintendent Ricci explained that this amount is now part of surplus. It was budgeted for the TE@CH program and the program was redesigned so these funds will go into surplus. Discussion ensued on page 27, line 20 – Coaches. Brian explained that they budget based on the fact that coaches are needed. We don't always know if they will be employees or not (different account numbers/line items). Barbara asked if it cost more money for employees and do teachers get preference to which Brian responded "no". The stipend is the same and the athletic director makes the recommendation on hiring. Kevin noted that, in adding the two line items, this is overbudgeted by \$20,000. Brian explained that not all positions were filled when they became vacant which might have resulted in the extra money. Keven Miller made a motion, which was seconded by Kevin McGreevy, to cut line 23 (page 27) by \$10,000 (from \$127,000 to \$117,000). Sue Rogers noted a concern that intramural coaches, which were added this year, are not included in the budgeted amount.

Keven Miller made a motion, seconded by Kevin McGreevy and it was VOTED: To cut line 23 (page 17) by \$10,000 (from \$127,000 to \$117,000). In favor: Day, McGreevy, Miller and Ure. Opposed: Areglado, Chambers, Huzyk, Louzon and Macaruso. The motion was defeated by a vote of 4 in favor with 5 opposed.

Chair Louzon moved on to page 28. Barbara questioned line 18; the percent that the District is funding. Brian noted that the State of Rhode Island tells him what the rate of required contribution will be. Every year it changes; it usually goes up. Kevin stated that lines 15/18 – historically are overbudgeted to which Brian explained that these figures are based on anticipated wages. Savings in salaries would impact these line items (there would be a savings here as well). Kevin McGreevy made a motion, which was seconded by Keven Miller to decrease lines 15/18 on page 28 by \$100,000 and put this money into surplus. Brian felt this was a gamble as he has already removed \$405,000 from this budget. Keven stated that a savings in salary would also show additional savings in FICA and Medicare. Ron noted that he understands conceptionally what Kevin is asking; can the money be put into surplus? Superintendent Ricci replied that he would want to talk to the auditor first as he would think it would go into committed as surplus is not part of this budget. Ron commented that he does not want to arbitrarily make this decision. He asked Keven McGreevy to withdraw his motion and Kevin Miller to withdraw his second and reintroduce this at a later workshop after administration has had a chance to speak with the auditor. Kevin McGreevy withdrew his motion and Keven Miller withdrew his second.

Discussion then centered on page 31, line 4 (Advanced Placement Exams). Keven Miller made a motion, which was seconded by Kevin McGreevy, to zero out this line item. Chair Louzon noted that this item was voted on and approved by the School Committee prior to Kevin McGreevy coming on so he probably is not familiar with this. Keven Miller stated that he does not feel the District should pay for these as AP exams give kids the ability to apply for college and the District should not financially support this. Ron called for a point of order. The School Committee took a vote and it passed. The motion is out of order; you can't have it both ways. The Committee can reconsider the vote it took to fund AP exams at a future School Committee meeting. Chair Louzon agreed that a future School Committee meeting would be the appropriate time to look at this. He will not entertain the motion and the Committee will move on. Georgia stated that the Chariho Act says K-12 and they are now doing stuff for college. She wants a ruling from the attorney. Chair Louzon replied that she can ask the lawyer for advice at a future School Committee meeting. This issue was not brought up when the vote to fund AP exams was taken; this is where it should have been discussed. Keven felt there was nothing wrong with the motion. Bill Day agreed with Keven. The Committee has the ability to take anything out of the budget but his concern is that the Committee did vote to pay so where will this money come from? Chair Louzon reminded all of the need to stop micromanaging everything. It is the administration's job to do this. Why does the Committee have to delve so deep into things, especially those that they have already voted for? Barbara stated that she agreed with Keven and Bill but it was her understanding that the Committee voted (and approved) that they would try this (paying for AP exams). Although she is not in agreement to pay for AP exams, she does remember the discussion that the Committee was going to try it.

Keven Miller made a motion, seconded by Kevin McGreevy, and it was
VOTED: To zero out line item 4 on page 31 (AP Exams). In favor: Day, Miller and Ure. Opposed: Areglado, Chambers, Louzon and Macaruso. Abstained: McGreevy. The motion failed by a vote of 3 in favor with 4 opposed and 1 abstention (Huzyk was not in attendance for the vote).

III. Adjustments to Superintendent's Proposed Budget

None.

IV. Adjournment

Ronald Areglado made a motion, seconded by Donna Chambers and it was
VOTED: To adjourn at 12:04 PM. In favor: Areglado, Chambers, Louzon, Macaruso, McGreevy, Miller and Ure. Opposed: Day. The motion carried by a vote of 7 in favor with 1 opposed.

Donna J. Sieczkiewicz, Clerk