

APPROVED

FAIRFIELD BOARD OF EDUCATION

ENCLOSURE NO. 3

MINUTES OF THE REGULAR MEETING OF THE BOARD OF EDUCATION

Tuesday, January 24, 2012

FEB 28 2012

Minutes of the Regular Meeting of the Board of Education held Tuesday, January 24, 2012, at 501 Kings Highway East, 2nd Floor Board Conference Room.

1. Chairman Ms. Pamela Iacono called the Regular Meeting of the Board of Education to order at 7:30 p.m. Other Board members present were: Mrs. Sue Brand, Mr. John Convertito, Mr. Philip Dwyer, Mr. Paul Fattibene, Mrs. Jessica Gerber, Mr. Tim Kery, Mr. Perry Liu and Mrs. Jennifer Maxon Kennelly (arrived 7:38 p.m.). Also in attendance were Superintendent Dr. David Title, Fairfield Warde High School Student Representative Stephanie Teixeira and members of the administrative staff. Approximately 100 people comprised the remainder of the audience.
2. Ms. Iacono led the Board and audience in the Pledge of Allegiance.
3. Approval of Minutes-
 - A. Mrs. Brand moved seconded by Mr. Kery that the Board of Education approve the Minutes of the Regular Meeting of January 10, 2012.

Motion carried: 8:0:0.
4. Student/Committee/Liaison Reports-
 - ◆ Stephanie Teixeira reported that today was the last day of mid-term exams at Fairfield Warde HS and tomorrow is the last day of the semester. The Fairfield Warde vs Ludlowe basketball game is tonight and the Boys Wrestling Team placed first out of 14 schools at the Warde Invitational on January 7. The Warde Debate Team won the Connecticut Debate Tournament on January 7, and two of our debaters placed first. Auditions for the spring musical and the Interact talent show are being held this week and next.
5. Mrs. Gerber moved, seconded by Mr. Kery to waive the reading of the remainder of the Board reports.
Motion carried: 8:0:0.
6. Superintendent's Report – Dr. Title passed.
7. Old Business
 - A. Mr. Kery moved, seconded by Mrs. Gerber that the Board of Education approve the Understanding on Health Insurance.

Ms. Iacono stated that First Selectman Michael Tetreau and Board of Finance Chairman Tom Flynn are here tonight to speak to the Board about the agreement.

First Selectman Tetreau distributed two documents and reviewed the sheet labeled Town of Fairfield Insurance Fund Analysis first. He thought it would be good to review the Internal Service Fund to give everyone an idea of how it works and to illustrate what they are trying to accomplish on behalf of the Town. These numbers are actual fiscal results from July 1, 2010 to June 30, 2011. The Internal Service Fund is how we handle our self-insurance. Basically, reserves are built up in each account, we budget for what we think we will spend each year and then adjust that number the following year based on whether they went up or down. We take recommendations in the insurance areas from AON and the workers comp area from PMA, which is our workers comp company. These are broken out into three areas: risk management, Town medical and Board of Ed medical. The Town is basically self-insured, we are paying actual claims; there is no premium per se. The reserve encompasses the two insurance funds and the

risk management fund. When the rating agencies look at this report, they don't care which fund balance is plus or minus; they are looking at the net of all three. In one sense this is all about our credit rating which is currently a AAA credit rating with a negative outlook from Moody's. When Moody's gave us that negative outlook a few years ago, they specifically pointed to this fund and said the reserves are not high enough. Moody's is looking at the \$4,738,115; that is the number we don't want to get any more negative. As of June 30th the Board of Ed had a \$3 million positive balance in the reserve fund, the Town was about a quarter of a million dollars to the negative and the risk management number, driven in major part by workers comp, was \$7.6 million to the negative; and that is what we are trying to address. Four to five years ago the Board of Finance made a commitment to fully fund the Town insurance balance, so the Town has been funding their balance as recommended by AON. This has made a difference and the Town's reserve has changed dramatically over the last few years. However, the workers comp number, by virtue of the claims experience, has driven the number in the overall balance to be more negative. The workers comp fund is made up of claims by Board of Ed employees and Town employees, but the expenses have been totally funded out of the Town-side budget. We are trying to manage the balance sheet, which affects all of us and potentially impacts our credit rating. If it impacts our credit rating, that means we pay higher interest, our debt service goes up and the school projects we are trying to fund cost more. Mr. Tetreau stated that it is in everyone's best interest to work together to help manage this. There was an initial proposal to this Board to just focus on the reserve number that is currently in the Board of Ed fund and not lower that. The Town has recently had some very good experience that has helped address the deficit in the reserve fund. However, the issue driving this is the workers comp number. This needs to be addressed if we are going to lose the negative outlook from Moody's. He reviewed the second document which is broken into two tables: unemployment compensation and workers compensation. This breaks out what the workers comp expense has been for the last three years by the Board of Ed and by the Town. Mr. Tetreau stated that he and members of the Central Office met today with a representative from the workers comp company to go through these numbers to get an analysis on what type of claims drives this and how is it broken out between the Board of Ed and the Town. We want to make sure we are doing everything possible to manage this expense and keep that number under control. The Town is asking for Board of Ed cooperation in terms of keeping that reserve number where it is and not drawing it down any more. He commented that there are several expense items that the Town funds, even though they are incurred by the Board of Ed; it is more of a custom and tradition than any rationale for doing it that way. Mr. Flynn noted that both unemployment compensation and workers compensation are not included within the budget that the Board is speaking on. They are both budgeted for and paid for out of the Town side, even though roughly half of the expenditures from both of those funds are due to Board of Education operations. Looking at the insurance fund analysis sheet you can see that general liability claims are also funded on the Town-side.

Approximately one hour of Board questions, comments and discussion followed regarding if AON is recommending an accrual of 1.25% of the IBNR, and the Board of Ed is funding it at 200% of the IBNR, wouldn't it be more prudent to take that .75% and put it on the Town-side; wouldn't it have the same net affect if the Board of Ed budget was reduced by that amount and the Town-side was increased by that amount; why do we need an MOU; concern that the MOU protects the Town but not necessarily does so well for the Board of Ed; maybe it is better to have an agreement that comes after all of the budgeting is done; how long has the Town been assuming the financial responsibility of the workers comp as well as the unemployment; what is the advantage to the MOU versus simply reducing our funding request; are the accounts in which these funds are held an escrow or a trust fund account; is it the Town's intent to control appropriated funds given to the Board of Education and the Board's ability to fulfill their obligation as agents of the State to provide an education to the students of Fairfield; and the wording in the last paragraph of the MOU.

The First Selectman stated that he is supportive of the first page of Enclosure No. 2 but is not agreeable to the second page of the document.

Ms. Iacono stated that there will be an amendment on the table tonight to amend Enclosure No. 2 to include language that will satisfy the Town.

Discussion followed on the modifications to the memo and that it be a consensus agreement approved by the Board of Education, the Board of Finance and the Board of Selectmen.

Board comments continued on the legality of this document, putting money aside not specifically for education but to help taxes and the Town's AAA rating and by doing so the Board is in violation, an MOU automatically shows a conflict of interest, and has this been reviewed by our attorney.

Dr. Title stated that there were two reviews. Attorney Don Houston reviewed the draft prior to this one which was brought to the Board table and the two attorneys on the Board at that time, Mr. Fattibene and Mr. Mitola, said they wanted to review it. They suggested some changes and Attorney Houston reviewed it again. Attorney Houston has looked at it twice and twice he has been amenable to the agreement as you see it here.

Several Board members indicated that they would be reluctant to approve an amendment to this document when they have not seen the proposed language. If that language was known ahead of tonight's meeting, it should have been presented to the Board for consideration prior to this meeting.

Mr. Tetreau stated that what was presented to this Board in August/September was what was proposed by the Board of Finance and the Board of Selectmen. This Board chose to make significant changes, and those changes didn't meet the objectives in the original draft and really aren't acceptable. Mr. Flynn stated that this document has not gone before the Board of Finance for approval. He has distributed it to them, they have seen the various drafts but it has not been voted on by the Board of Finance. There was a draft that Mr. Flynn was agreeable to as the Board of Finance representative, the First Selectmen was agreeable to it and the working group as a whole thought it was in good enough shape to bring before the Board of Education. We wanted to make sure the communication between the various parties was clear so that we could address any concerns and objections, and we started with the Board of Ed for this specific purpose.

Board discussion continued regarding the amount the Board of Ed is being asked to fund, what part of Enclosure No. 2 is not agreeable to the Town bodies and if there is not consensus on the document why the Board of Ed is being asked to vote on it.

Mrs. Brand asked for a legal opinion in writing and stated that last week she sent a series of legal questions to central office and did not receive a response nor did the public have an opportunity to see those questions.

Ms. Iacono suggested that once the Board has agreed to the Memo, she will collectively ask for the questions from the Board and send them all to legal at one time rather than question by question and running up a legal bill.

Mr. Dwyer moved, seconded by Mr. Kery to amend Enclosure No. 2 and have the Memorandum of Intent stop at "future health insurance costs" on the first page and strike all of the language after that until the signature lines.

Board discussion followed on the amendment.

Mr. Dwyer withdrew his amendment and Mr. Kery was agreeable as the seconder.

Mr. Convertito moved, seconded by Mrs. Brand to postpone approval of the Memorandum of Intent.

Mrs. Brand expressed concern with language on page 2 that says: "Nothing in this Memorandum of Intent on Health Insurance..." The language says intent as opposed to an understanding; and if the Board is going to postpone, she specifically wants a legal validation whether or not we are in compliance.

Mr. Convertito clarified that what Mrs. Brand wants as a condition of the motion to postpone is a legal validation. He stated that he will not take a friendly amendment. The motion is to postpone.

Motion to postpone carried: 9:0:0.

Mr. Convertito called a Point of Order to get a sense of the body while the First Selectman and Chair of the Board of Finance are still here that this Board looks at Enclosure No. 2 less the strike outs mentioned earlier as an approvable draft.

Ms. Iacono stated that the Board has moved off this topic.

- B. Mrs. Gerber moved, seconded by Mr. Dwyer that a budget recommendation in the amount of \$149,464,941 be approved and forwarded to the Board of Finance for its consideration in the preparation of the Town budget for the 2012-2013 fiscal year; further that the Superintendent be authorized to distribute the said amount in a manner agreed to by the Board at this meeting.

Mrs. Brand moved to amend the motion and to deduct \$123,420 from Elementary Clerical to fund World Language Grade 6 and use remaining funds for clerical help at the Superintendent's discretion.

Board questions and comments followed.

Public Comment-

Meredith McCormack, Budget Rep for Sherman School, spoke in favor of clericals at the elementary schools and asked the Board to support the additional clerical help.

Suzanne Miska, Ryegate Road, spoke against the additional clerical help at the elementary schools. She would rather see World Language brought back or if you need to fund clericals, do Band 3 where there is overcrowding and she would rather see the extra secretarial support at the library at the high school.

Amendment: "to deduct \$123,420 from Elementary Clerical to fund World Language Grade 6 and use remaining funds for clerical help at the Superintendent's discretion"

Mrs. Brand stated that leaves \$29,930, so there are funds left over for at least two clerical for the elementary schools.

Dr. Title stated that he is not sure that number is correct because salaries and benefits have to be added back in. There may be a balance, but it may be minimal.

Amendment failed: 4:5:0. Mrs. Kennelly, Mr. Liu, Mr. Fattibene and Mrs. Brand voted in favor. Mr. Convertito, Mrs. Gerber, Ms. Iacono, Mr. Dwyer, and Mr. Kery voted in opposition.

Back to Main Motion.

Public Comment-

Suzanne Miska, Ryegate Road, stated that she is disappointed that things that were removed that caused the Town to go to referendum were not put back in. She is concerned that this budget fields to two sides of the spectrum, special ed and gifted; and that the rest of the student body is not getting what they need. She is also disappointed in the process that took place.

Motion carried: 9:0:0.

- C. Mr. Kery moved, seconded by Mrs. Kennelly that the Board of Education approve the proposed Capital Improvement Projects for 2012-2013 in the amount of \$2,000,000.

Dr. Title stated that at the last meeting there was a request under the Tomlinson project to provide a schematic of that proposal. Mr. Cullen has provided that tonight and if this project is approved and goes forward it will be enclosed in the Capital Improvement Projects document. He briefly reviewed the schematic for the proposed traffic improvement project at Tomlinson.

Board questions followed.

Motion carried: 9:0:0.

8. Public Comments and Petitions – None

9. Open Board Comment –

Mrs. Brand commented on Board Policy #3100, Budget. The first sentence states: “The annual budget preparation process shall include broad-based participation and careful scrutiny of programs and expenditures to help the Board fulfill its responsibilities to the students, staff and Town.” It also states: “The Board shall review projected costs, finalize requirements, establish a desirable budget amount and specify parameters for the Superintendent to use in the development of a proposed budget.” She thinks the budget should be more of a collaborative process and needs to be started earlier. She thinks when we proceed this way the budget is a surprise, and the Board is not involved in the development of it. The public also needs to be included. She also thinks it would alleviate some of the discourse at the 11th hour because people would have a greater appreciation of why things are happening. She doesn’t think the policy was followed.

Mr. Liu agreed and stated that the Board, through policy, should build into the calendar meeting dates that are specific to the goals of what we want the budget to be so that in October and November it can be discussed at the Board table and ideas presented.

10. Mr. Kery moved, seconded by Mrs. Brand that this meeting of the Board of Education adjourn at 9:26 p.m.

Motion carried: 9:0:0.

Jessica Gerber
Secretary