

JOINT MEETING OF THE

SCHOOL COMMITTEE

AND

CITY COUNCIL

Tuesday, March 17, 2009 - 7 P.M.

East Gloucester Elementary School

FY09 & FY10 BUDGET

Attendance: Mayor Kirk, Superintendent Christopher Farmer, Councilor President Bruce Tobey, Council Vice President Sefatia Romeo Theken, Councilors Joe Ciolino, Steve Curcuru, Jason Grow, Greg Verga, Nancy Harrison, Melissa Teixeira, Amy Beth Healey, Michele Sweet, Val Gilman

Also: Greg Bach, Brian Tarr, Leslie Sarofeen, Jonathan Pope, Marilyn Reid, representatives from GDT and Beacon.

Absent: Councilors George, Devlin, Hardy and Foote

The School Committee meeting is called to order at 7:15 p.m.

The City Council meeting is called to order at 7:15 p.m.

School Committee

Approve out of state field trip for cheerleading squad.

MOTION: On motion of Greg Verga, seconded by Melissa Teixeira the School Committee voted **UNANIMOUSLY** to approve the GHS Cheerleading squad's field trip to UNH on March 21, 2009.

City Council

Special Mayor's Report

US Dept of Justice COPS Grant

MOTION: On motion of Councilor Grow, seconded by Councilor Curcuru the City Council voted UNANIMOUSLY to refer the application for the COPS grant to Budget and Finance.

School Budget FY09 and FY10

Superintendent Christopher Farmer provided an overview of the proposed school budget cuts for FY09.

- General Fund support for athletics is to be eliminated.
- Middle School – reduction administration by 1 position.
- Elementary schools - reduction of 6 positions.
- SPED has additional needs - two more teachers, speech therapist and school adjustment counselor, especially at the high school level. Presuming we can offset some of these costs using reinvestment and recovery act funds. \$1.5 million to be spent over two year. Use ½ funds for SPED.
- Professional development – savings realized on the reduction in spending on tuition reimbursement, etc.
- Information technology has been cut to the bone.
- Facilities - \$38,000 in efficiency savings which we are carrying that forward.
- Transportation – able to contract with community groups, showing anticipated balance of \$150,000.
- District office – secretarial reduced by 1 position.
- Employee benefits – alternative health insurance 7% increase as opposed to 12.7% increase with BCBS providing a \$282,000 savings.
- Retirements - budget includes honoring of contracts \$545,000. \$68,000 represents contracts agreed to or awaiting ratification by the School Committee.
- Revolving account revenues \$120,000 mostly transport.
- Transport appears twice the first \$150,000 is introducing fees for all children using bus service for who we don't have a statutory requirement to provide service. Within the \$120,000 is the enterprise account fund assuming a 10% increase in building use fees.
- Bridging the Gap of \$658,988
- Health insurance savings \$280,000.
- Rapid growth in employment of teacher aids to provide SPED services - reduce 10 positions \$230,000. If have to make further reductions looking again at the middle school.
- Assumptions being made around school choice using a conservative figure.
- SPED circuit breaker is fixed at 7%; it may be reduced to 6.2%.
- Building use is increased 10%.
- Discussion on bringing all school related costs into one budget.

Council President Tobey speculates they have been conservative in estimating the number of retirements and asked for historic trends in recent years.

Superintendent Farmer we use a spreadsheet of people in the category of 55 years age with 25 years service so we know what to anticipate. \$870,830 represents nine individuals and their salaries.

Council President Tobey clarified that \$540,000 is for contracts already consummated or legally bound to be consummated.

Superintendent Farmer replied yes. It includes those contracts agreed and signed off on and tentative contract agreements. There are funds in this year's budget to settle those contracts but it doesn't include the teacher's contract that expires in August 2009.

Council President Tobey asked about the health insurance change.

Superintendent Farmer explained that driving down the cost of health insurance provides a savings for the city and a savings for the families.

Council President Tobey stated we need to think about problems that we might turn into opportunities; for example, a satellite vocational program for marine sciences.

Superintendent Farmer is in favor of expanding vocational education and would do whatever he could to help grow that.

Greg Verga, School Committee Chair addressed the budget as a whole. Contractual obligations are being recognized on this budget as well as a place holder for the teacher's contract.

Councilor Grow asked for clarification why vocational education and school choice are not on the school side.

Superintendent Farmer explained that in an accounting sense it is a reduction in state aid shown on the cherry sheets. Feels it is good practice to put the money where the program is.

Councilor Grow asked does it skew our perceived per people spending.

Mr. Verga it would be neutral.

Mayor Kirk feels it would be a benefit if the vocational school was accounted for on the school side. There was discussion on health insurance. State law requires 70% of the union vote and we are encouraging the state to either remove or reduce that requirement.

Council President Tobey feels that cities and towns should have the same rights as the state through management.

Councilor Grow asked if there will be a cap on school bus fees.

Superintendent Farmer replied yes.

Val Gilman, School Committee feels there needs to be sensitivity to the budget and she would like to see consensus on taking the opportunity to move school choice and the vocational school accounting to the school side of the budget.

Greg Verga stated this budget assumes athletics are 100% self funding.

Amy Beth Healey, School Committee stated we are asking the unions to come to the table to talk about a lot of things and finish what we started and to make them more willing to come and talk to us.

Councilor Curcuru asked what amount o contracts have been agreed to.

Superintendent Farmer replied \$68,000.

Councilor Curcuru asked if negotiations were prior to the state cuts.

Ms. Healey replied we were wrapping things up when the cuts came.

Council President Tobey asked what percentage of teachers are at the top of their step and track.

Marilyn Reid, Schools CFO replied 60% are at the top of the four tracks.

Councilor Curcuru asked when the city began negotiations.

Mayor Kirk replied we initiated negotiations with police and fire but with the budget uncertainties, we asked for a suspension of the negotiations.

Councilor Ciolino asked do the schools have a reserve account for buying back sick days.

Superintendent Farmer replied yes.

Council President Tobey asked if teachers have a buyback agreement.

Ms. Reid replied no, they do not get that benefit.

Melissa Teixeira, School Committee noted we are talking \$1.5 million but in reality a lot of hard work was put into negotiating that.

Ms. Healey stated we have almost all contracts assessed and ready to move forward. We have 10 to 11 bargaining units and we have two unions to talk to, one of those being teachers. Conversations were basically wrapped up in January.

Mr. Verga stated after the additional city cut of \$100,000 we put the brakes on.

Council President Tobey asked if there has been a court order issued regarding the fire department litigation.

Mayor Kirk stated the judge ruled in our favor. We have to fulfill our obligations but are not obligated to maintain minimum manning.

Council President Tobey asked that copies of this be forwarded to all councilors.

Mayor Kirk stated she is on schedule to submit the FY10 budget to the council early May. We are trying to bridge a \$1.5 million gap. We are looking at health insurance and had 18 sign up for early retirement. Our big issue is snow and ice. Legislatively we are looking for support to take it on the recap for three years. This administration and this City Council have really tackled the financial difficulties of the city, trying to turn around the deficit to pull in money to invest in the community or subsidize the gaps in the budgets going forward.

Councilor Grow asked what does the spending freeze mean in terms of between now and the end of the fiscal year.

Mayor Kirk referred to the favorable balances; we are making a judgment call on what is essential and what is not, triggered through review of a purchase order.

Councilor Curcuru asked if this is hurting our bond rating.

Mayor Kirk is comfortable that our bond rating will remain, but won't increase.

Council President Tobey stated as a community, we need to join the national conversation about what the bond rating is for. We want to respect our financial integrity but not the yardsticks we hold so dearly.

Councilor Romeo stated every company is laying off because of the cost of insurance. We need to look at one payer insurance to stabilize the city.

It was moved and seconded to adjourn the School Committee meeting and the City Council meeting at 9:06 p.m.

Respectfully submitted,

June Budrow

Clerk of Committees