

Thursday, November 2, 2017

MINUTES OF THE FINANCE COMMITTEE OF THE BRIDGEPORT BOARD OF EDUCATION, held November 2, 2017, at Bridgeport City Hall, 45 Lyon Terrace, Bridgeport, Connecticut.

The meeting was called to order at 5:33 p.m. Committee members present were Chair Howard Gardner and Ben Walker. Board member Maria Pereira was present.

Supt. Dr. Aresta Johnson was present.

Mr. Walker moved approval of the committee's minutes of August 23, 2017. The motion was seconded by Mr. Gardner and unanimously approved.

The next item was the 2017-18 budget presentation.

Marlene Siegel, chief financial officer, said she was pleased to report the Commissioner of Education has ruled in favor of Bridgeport, allowing the district to charge up to \$3,000 per non-resident student for magnet school tuition.

Supt. Johnson acknowledged the work of Ms. Siegel and her team, particularly in providing timely additional information requested by the state. Mr. Gardner said he appreciated the efforts as well.

Ms. Siegel said approximately \$1.5 million was built into the budget for revenue from magnet tuition

Ms. Siegel said the original budget gap in June was about \$8 million. A series of budget strategies were implemented to effectuate reductions over the summer. Strategy I was approximately \$2.9 million, Strategy II was about \$1.4 million, and Strategy III is the hiring freeze, which is producing annual savings of \$400,000. She said Strategy IIIa pertained to the federal grant reductions in Title I and IIa, which are approximately \$1 million.

Ms. Siegel said by the end of October the shortfall was about \$4 million. She said the state budget signed by the governor contains flat ECS funding for Bridgeport and it is expected that the Priority Grant will also be flat.

Ms. Siegel said the plan to reduce the \$4 million budget gap to \$1 million involves assumptions which include some level of risk. The first item is to withdraw the remaining accumulated surplus in the Internal Service Fund, which will be about \$1.4 million. She said this involves risk because the surplus is based on assumptions and has not yet materialized. She said the surplus is anticipated because of the additional funds from the food services and nutrition budget, the rate of growth for health insurance, all BEA and BCAS employees being in high-deductible health plans, and a mandated health-improvement program for all employees.

Ms. Siegel said grant accruals contribute to the overall comprehensive budget plan. She said this item is considered potential because we are in round one of forecasting.

Ms. Siegel addressed items contained under Other Than Personnel Services. She said there were stringent controls on such expenditures.

Ms. Siegel said the plan was designed to have minimal further impact on our schools and services. She said we approach the plan with a degree of caution and continuously monitor the budget and test the validity of our assumptions.

Ms. Siegel said the plan addresses possibilities for the remaining \$1 million gap. She said furlough days for employees and deferred longevity payments would require agreements with unions, which we do not currently have.

Ms. Siegel said the reduction of two instructional coaches is listed not because it is recommended, but to demonstrate the limitations on the remaining options after incurring the effects of multiple budget reductions. She added that when a reduction is made this time of year you have to eliminate two positions to save the cost of one.

Ms. Siegel said some variables are the reimbursement formula for out-of-district services, with the state cap unknown, and actual costs could exceed projections. She added the weather is an unknown as we approach the colder time of year.

Ms. Siegel said in terms of seeking concrete actions to resolve the remaining deficit discussions have been initiated with the transportation vendor to explore potential savings and the state has been contacted to inquire about the Priority Extended School Hours Grant to determine whether those funds can be redirected to the main Priority Grant. She said the stringent controls on operating expenses include monitoring the electrical usage. The IT department has developed a plan for automatic shutdown and turn-on of computers. She said this could lead to as much as \$200,000 in savings, depending on utility rates.

Ms Siegel said the goal is to minimize reductions at the school level to the greatest extent we can.

In response to a question. Supt. Johnson said she has discussed furlough days with BEA and BCAS on a couple of occasions. She said they declined to agree to two furlough days. She said she requested they give back something.

Mr. Walker said as a teacher and a CEA member if he knew of the possibilities of layoffs he would be inclined to help save jobs. He said while he has been a board member the committee has done everything in its power and have cut almost everything, including changing the wattage of the light bulbs, to save the teachers in the classroom. He said he would be willing to sign off on a caveat that if the district receives a windfall from somewhere else that we would replace the dollars back towards the furlough day savings.

Mr. Walker said he has a big worry about withdrawals from the Internal Service Fund. If the projections turned out to be wrong, the board would have little to no choice to lay people off. Ms. Siegel said she agreed and noted that if there was need for a reduction of force she did not anticipate layoffs, but there would be disruption and a loss of continuity.

Supt. Johnson said Strategies I, II and III have led to layoffs. She said it was important that all bargaining units understand that we have to do something different or there are going to be additional consequences. She noted she and her staff were willing to take two furlough days but the bargaining units are needed on board.

Mr. Walker said he recalled conversations with teachers after the kindergarten paraprofessionals were laid off who had no idea that their jobs could have been saved with a furlough day. He said he respected the union leadership, but he urged there be a survey of the bargaining units about the options.

Ms. Pereira said the board members at this table have always been consistent about offering suggestions about how to achieve savings, but the board gave back \$425,000 for Lighthouse. She said the transportation proposal was not ideal, but would have given us a savings. She added the Bridgeport Police had not provided any information on crime occurring during the hours to children walk to and from school. She said it was people who are never at these meetings, who don't have anything to contribute, who sit there and judge responses to how to save money.

In response to a question, Ms. Siegel said the \$75,000 Lighthouse payment was built into the budget plan.

Ms. Pereira urged the transportation charges take place after the Christmas holiday.

In response to a question, Supt. Johnson said she did not want to extend the walking distance at any time, and particularly not during the midyear because families are settled and those are colder months. She said she worried about accidents that have happened, even to the crossing guard, and the youngest children walking to school. Ms. Siegel said she agreed.

In response to a question, Supt. Johnson said she did not have numbers tonight of charter school students playing sports in the district and the cost impact. She said she would follow up with Chris Johnson on the issue.

Mr. Gardner described a conversation with a constituent, who pointed to the hiring of new assistant superintendents. Ms. Siegel said we are extremely streamlined in the district office, with each office incurring some form of budget reduction.

Ms. Pereira said the number of assistant superintendents had not increased. Supt. Johnson noted the assistant superintendents have picked up many additional responsibilities as the result of the elimination of other positions. She said they were now stretched super thin and have recently received new duties with the elimination of the director of guidance.

Ms. Siegel said the updated talking points demonstrate the reduction in positions in the recent years.

There was a discussion of furlough days in the district in the past. The most recent furlough agreements, which were before 2005, applied to non-certified employees. Ms. Pereira indicated this occurred during a period where the board had to give money back to the city.

Ms. Siegel said the district received notification from the state in the summer indicating that funding was not assured for family resource centers. She said action was taken to close the centers. She said the centers were being subsidized by the board by approximately \$72,000. The coordinators were funded in Title I. She said the closing led to layoffs of coordinators and clerical positions.

Ms. Siegel said the state budget will include funding for family resource centers, but any municipality that has more than one center must close one center before December 31, 2017. She said the district originally had centers at Barnum, Batalla, Dunbar and Roosevelt and all four are closed. Three centers will be reopened and will receive a grant in the amount of \$100,000 in January 2018. Employees who have rights to recall will be placed in the one mandated position. There will be a different staffing structure put in place.

In response to a question, Ms Siegel said that moving forward a further subsidy would not be needed from the board. Supt. Johnson

said she wanted to have a conversation with the board on which three centers would remain open. She said her initial thinking is Dunbar, Batalla and Roosevelt, and not to reopen Barnum.

Ms. Pereira said there was a continual influx of new students on the East Side and Barnum. Supt. Johnson said currently there is a greater influx at Batalla.

Mr. Gardner suggested looking at academic performance and putting the resources towards the lowest performing schools.

Ms. Siegel said the magnet tuition packet indicates there has been a 67-student reduction in suburban enrollment from 2016-17 to 2017-18, a difference of 67 students. She noted the minimum percentage for out of district students is 25 percent. The district is currently meeting this percentage, but there are concerns about the Aerospace numbers.

In response to a question, Dr. Johnson said Fairchild Wheeler has a teacher who acts as a recruiter to suburban districts and the administration works diligently on the issue.

In response to a question, Supt. Johnson said Trumbull, Stratford and Monroe have made it a little more inconvenient for the district to recruit in their schools.

Supt. Johnson said from her visits to the elementary schools she sees there are other impacts due to a lack of funding. She said Beardsley parents shared with her that students can't wait outside the building due cracked pavement caused by a tree. Additionally, there are playground issues at High Horizons and the recent flood at Harding cost money.

Mr. Walker noted the mayor made campaign promises to fix the sidewalks of Bridgeport.

Mr. Walker moved that Item 6 be handled next. The motion was seconded by Mr. Gardner and unanimously approved.

Ms. Siegel said that the Title IV grant has three components. She

said the district received \$164,673 in 2017-18. The rules allow two percent maximum for administrative costs; a minimum of 20 percent for well-rounded educational opportunities and the balance for effective use of technology, generally for professional development on how to personalize learning. In the technology component, 15 percent can be spent on infrastructure such as devices.

Ms. Siegel said the district's budget plan includes a summary of how the funds have been distributed. She said the main focus for the use of the funds is the African-American studies course as per the board's motion. She added a climate specialist which can no longer be funded in Title IIa will be charged to Title IV.

Ms. Siegel said it is anticipated that the textbooks and online licenses purchased from vendors for the course will also include professional development funded by Title IV.

Ms. Siegel said the amount allocated for purchase of books and online materials for the African-American course is \$61,866. She said this represents the first round of purchases; it is expected there will be additional purchases for 2018-19.

Nadira Clarke, director of grants, said board approval of Title IV was needed by November 22.

Ms. Pereira said when the textbooks and licenses are purchased they should come to the Teaching & Learning Committee because of statutory requirements and the work done on the issue by the committee. She said this would be part of Ms. Baraka's legacy.

Mr. Walker moved that *"we present to the board the Title IV, Part A, grant for full board approval at the next Board of Education meeting."* The motion was seconded by Mr. Gardner and unanimously approved.

The next item was on the costs of refuse removal compared to the original contract. Tony Pires, senior project manager of operations, said there were three sites that were not included in the RFP: the Adult Education Center, the BOE Operations facility on Connecticut Avenue, and the cafeteria side of Read School. He said he was

prepared to go back to the vendor and see if the costs could be negotiated in.

Mr. Pires said on September 1st it was necessary to add four additional pickups and on September 25th six additional pickups to locations. He said he sent some photos to Mr. Gardner on overflow in containers. This led to the decision to add additional pickups.

Mr. Pires said the savings that we originally thought were going to be realized have been reduced considerably. He said there would still be a savings of \$30,000 over the arrangement with the city, but it was not as much as we thought we were going to be saving.

In response to a question, Mr. Pires said he thought the operations site was a city facility and he believed the adult education pickup was part of the lease.

Ms. Pereira said the custodians should know how much refuse pickup was needed. She said there could be an increase in the refuse from Lighthouse because there is now a snack provided.

Ms. Pereira said stuff like this just can't happen. Mr. Gardner said he didn't think we got the cooperation from people who wanted the status quo. He said it seemed like he received several orchestrated complaints from schools within two or three days.

Mr. Gardner said he could understand underestimating of capacity, but not missing out on locations. He said the board was looking for the yearly savings of \$50,000. He urged that Mr. Pires approach the vendor.

Mr. Pires said the vendor has been responsive and had done some extra pickups without charging.

Mr. Walker said despite this disappointment he was thrilled because the whole process was to get us out from an MOU which should have never been entered into with the city, and we are in control of our own finances.

Mr. Walker moved that Item 8 on the legal services RFP be



considered next. The motion was seconded by Mr. Gardner and unanimously approved.

Mr. Pires said the RFQ closed on July 22nd and the only respondent was Pullman & Comley. He said he believed there were concerns about the lack of responses. He said the RFQ was posted on BidSync, which companies that typically bid belong to. He said the last time the RFQ was posed it was also published in legal publications.

Ms. Pereira said it should be in the *Connecticut Law Tribune*. She noted last the time the board went out to bid there were six or seven responses.

Mr. Pires said he received a report of several companies that viewed the RFQ online and downloaded the package, but did not respond.

Mr. Gardner said major law firms bid last time, but the board's current law firm did not bid. He said there were rumors that the current firm did not even know about it. Ms. Pereira said that reflected on them.

Mr. Gardner said the bid opportunity should be widely circulated. Ms. Pereira suggested ads in the *New Haven Register*, *Hartford Courant* and the *Connecticut Post*, as well as the *Connecticut Law Tribune*.

Ms. Pereira said given the legal bills the board pays the expense would be justified.

Mr. Walker moved "*we resubmit the RFP for legal services and include in that the aforementioned media outlets in order to make this disseminated better.*" The motion was seconded by Mr. Gardner and unanimously approved.

Mr. Gardner asked Mr. Pires to update the document with new deadlines for presentation to the board at its next meeting. Mr. Pires said last time respondents were given a month to respond.

Mr. Gardner said Ms. Baraka referred the next item on costs associated with overtime for security. The concern is about the decision on whether to use police officers or school security at

events. He noted the much higher cost to pay police officers.

Elizabeth Maurer, manager of budget and financial reporting, said the overtime costs paid to police officers are for adult education at Central High, certain athletic events and parent involvement activities from last year. She said last year when the board SROs were eliminated from the budget the functions were covered by police officers assigned by Lt. Grech.

Mr. Gardner said this meant Lt. Grech was incurring costs to the board that we have no say in.

Ms. Pereira said we never had a police officer at adult education. Ms. Maurer said she was told some of it had to do with construction at Central High. Ms. Pereira said they treat us like their personal piggybank.

Supt. Johnson said she was told big rivalry athletic games required police coverage. She said Lt. Grech reported there was an incident in a particular neighborhood that impacted this. She noted the security guards are not armed.

Ms. Maurer said in FY 2017 almost \$103,000 was spent on police overtime. This year almost \$14,000 has been spent.

Ms. Pereira said we cut \$500,000 from SROs to save money and Lt. Grech allocated a \$100,000 expenditure that the board was not aware of.

Mr. Gardner said Lt. Grech e-mailed about a neighborhood where gunshots were fired, but he never said the gunshots were related to an event.

Ms. Pereira said this was outrageous, with the city against taking money out of our coffers.

Ms. Pereira said Ms. Siegel had said publicly that we were not spending any money on Bridgeport police officers. Ms. Siegel said she was asked if there were police officers on our payroll, and the answer is no. She said Lt. Grech makes the decisions currently on

assignments for extended day activities.

Ms. Pereira asked who gave Lt. Grech the authority to do this. She noted the city doesn't charge the Puerto Rican Day Parade a dollar because they have a mandate to provide public safety to everyone in the city.

Ms. Pereira suggested Lt. Grech come before the Facilities Committee and that the board work on formulating a policy. Mr. Gardner said he believed the matter was referred from Facilities to this committee because of the budgetary impact. He said he agreed a policy was needed.

In response to a question, Supt. Johnson said public safety is the city's responsibility and it involved looking at comparison districts. Ms. Pereira asked that the policies of New Haven and Hartford be investigated. She noted they might have their own SROs, though.

Ms. Pereira said someone from the business office should have come to the board and told us that this was going on.

Ms. Siegel said it has been understood since she has been in the district that Lt. Grech makes the decisions on security on extended day events. Ms. Maurer said we were paying for it before when the SROs were in our budget and they were being assigned the overtime.

There was a discussion of the salary of the board's former SROs. Ms. Siegel indicated the salary was made comparable to other police officers in 2015.

There was a consensus to have Supt. Johnston gather the information from other districts and refer the matter to the Facilities Committee for further discussion with Lt. Grech.

Mr. Walker moved to postpone the agenda item on discussion of the charter school MOU and special education. The motion was seconded by Mr. Gardner and unanimously approved.

The next item was on the Nutrition Center bakery and breakfast bids.

Ms. Pereira distributed the three bid packages. She said it came to her attention that there were issues with this bid. She said with the authorization of the superintendent, Nadira Clarke assisted her with her research. She described the bid process, which included frozen and unfrozen bread products.

Supt. Johnson said she contacted Ms. Wong on June 18th and the bid was revised. Ms. Wong said bread delivered on Fridays are frozen for Monday's usage; when bread is made with a fresh recipe, the quality deteriorates when you defrost it.

Ms. Wong said if anything the process showed favoritism to the Chaves Bakery because he was the vendor who did not submit the necessary information. She added there were only two bids and we went out to bid a second time to give the vendor a second bite at the apple.

Ms. Wong said to successfully sue the board a bidder would have to show favoritism, fraud or corruption.

Ms. Wong said she was informed by Berne Tardy, the city's purchasing agent, on September 5th that we should proceed with awarding the second bid. She added the USDA requires the district to follow the city charter and purchasing regulations.

Ms. Pereira said she was advocating cancelling the contract and awarding it to Chaves Bakery because they were the lowest bidder.

Ms. Pereira said there was a request to the bidders for two years of flour invoices to prove the flour was bought in the United States, which was requested when the bid was opened for the second time. She said this was completely in error.

Ms. Pereira said she believed Ms. Wong, due to her excellent attendance record at board meetings, knew that the board was working on a policy that all contracts over \$25,000 have to go out to bid. She said the bid also references acceptance by the board at this next Regular Meeting.

Ms. Pereira said Chaves has caught discrepancies in the bid process,

including a reference to the need for board approval at its next Regular Meeting. She said they are prepared to sue us over the discrepancies. She said Chaves are a bakery that have been in this city for many years, that employs 100 people(including 83 Bridgeport residents) and pay \$200,000 a year in taxes. She said they were the lowest bidder on the revised bid.

Ms. Pereira said Chaves did not bid during the third bid process because they felt we were already breaking the law by failing to award them the contract.

Ms. Pereira said the use of three bids shows incompetence. She questioned on whose authority this process took place because the superintendent did not know it went out to a third bid.

Ms. Pereira said she did not know if there was collusion with the city attorney's office, but the bottom line is Chaves was the lowest bidder. She added that Ms. Wong took an awarded bid to Chaves away claiming there was an issue with the food, even though the state and local health inspectors said there were no health issues.

In response to a question, Ms. Wong said Calise Bakery got the contract for the bread that Chaves was providing.

Ms. Pereira said Chaves had been providing the bread for four years without a problem until suddenly Ms. Wong said there was a big problem with the product. She said after the health inspectors looked into the situation, Ms. Wong had to re-award the contract to Chaves for the rest of the school year. She said there was a concentrated effort to make sure that Chaves Bakery doesn't get the bid. She added this was done without the superintendent's or the board's knowledge.

Ms. Pereira said she did not agree the nutrition department went out of its way to include Chaves when certain requirements were not met.

In response to a question, Ms. Wong pointed to the provisions in Chaves's bid that did not comply with, including health and the Buy American requirements.

Ms. Pereira asked who awarded the contract when it clearly says that the board must award the contract at its next regularly scheduled meeting. Ms. Wong said this was done in consultation with her finance person

Ms. Wong said she did not know the last time the nutrition department came to the board for selection of the winning bidders. She said it seemed like Ms. Pereira was attacking her despite the fact that she made every effort to work with Chaves. She said Ms. Pereira had called us, come to the nutrition office, called Mr. Esposito and told him that she thought Ms. Wong needed to be let go because of this. Ms. Wong said she followed USDA and city procurement regulations. She said Chaves sent their information after the fact when they should have sent it with their bid. She said they were non-responsive and non-complaint.

Ms. Pereira said this was not true. She said only the board had the right to award the contract, which made it illegally awarded.

Supt. Johnson said the document did say the bid would be awarded by the board, but in the past the nutrition department has not followed this practice. Vincent Esposito said the precedent was that the food services director makes the award.

Supt. Johnson said it was a matter of making sure what is in the packet is adhered to and we have to find a way to move forward following the guidelines.

Ms. Pereira said we were allowing Ms. Wong to come into the district and choose a vendor that she worked with before.

Mr. Gardner said Ms. Wong had worked with the Mr. Tardy of the city purchasing department. He noted the process passed Mr. Tardy's supervising eyes.

Ms. Wong said the nutritional information received from Chaves indicates their products don't meet USDA standards for whole-grain breads, which would mean we were not serving reimbursable meals for breakfast and lunch.

Ms. Pereira said Chaves had the contract for three years prior. Ms. Wong and Mr. Esposito said Chaves had the contract for one year with a one-year extension. Ms. Wong said she could not say whether Chaves complied with the USDA requirements prior to her arrival in the district.

Mr. Walker said this was a hot mess or a dumpster fire because the board has the fiduciary responsibility. Mr. Gardner said the past practice was that the nutrition bids did not come to the board.

Mr. Walker suggested the board attorneys weigh in on this. He recommend a new IFB(Invitation to Bid) be sent out. Effective January 1st, so we can get out of the mess we were are. He said he was not laying blame on anybody.

Mr. Walker suggested the matter be brought to the full board.

In response to a question, Ms. Wong said the bid that was opened on August 18th was the bid that was awarded. She said there were multiple bidders and multiple companies were awarded. She said after she received a communication from Chaves's attorney, she met with Supt. Johnson and Atty. Trachtenberg of the city attorney's office.

Supt. Johnson said she agreed what was the in packet should have been followed. She said she agreed with Mr. Walker's language. She said she did share information with Ms. Wong about the history of Chaves and its impact on our families and community. She said she did not want Ms. Wong to take the brunt from the use of a past practice. She recommended reaching out to Shipman & Goodwin about the issue.

Ms. Pereira said the language in the contract permitted cancellation because sixty days had not passed and the board had not made an award.

Ms. Pereira suggested the bid be worked on in the Finance Committee. Mr. Walker and Mr. Garner suggested the matter go to the full board before that take place.

Mr. Walker said he would like to see Ms. Wong left out of this and for this to be a board decision. He said due to irregularities we had recourse to move forward with an IFB. He said nothing would make him more happy than for Chaves to be qualified and be the lowest bidder.

Mr. Walker and Ms. Pereira said they did not need to hear Ms. Wong's description of student feedback on the bread.

Mr. Walker recommended that Mr. Gardner describe to the board in his committee report that irregularities were found in the awarding of the contract, and to avoid the irregularities we would like to cancel the contract and reissue the invitation to bid, pursuant to recommendations from our counsel.

Ms. Pereira recommended discussion and possible action on an IFB related to food products, so the board could take any action it deemed appropriate.

Mr. Gardner said he did not believe a motion was needed and it could be introduced at the regular meeting. Ms. Pereira said she would submit it as an agenda item for a board meeting.

Mr. Walker said he was sorry this had to come down on Ms. Wong

Mr. Walker moved the meeting be adjourned. The motion was seconded by Mr. Gardner and unanimously approved.

The meeting was adjourned at 8:05 p.m.

Respectfully submitted,

John McLeod

*Approved by the committee on January 10, 2018*