



**SPECIAL MEETING OF THE COMMON COUNCIL
MIDDLETOWN CONNECTICUT
MAY 5, 2014**

Special Meeting

The Special Meeting of the Common Council was held in the Council Chamber of the Municipal Building on Monday, May 5, 2014 at 5:30 p.m.

Present: Councilman Thomas J. Serra, Councilwoman Mary A. Bartolotta, Councilman Carl R. Chisem, Councilman Gerald E. Daley, Councilman James B. Streeto Councilman Sebastian N. Giuliano, Councilwoman Sandra Russo Driska, Councilman Bauer, and Council Clerk Marie O. Norwood.

Absent: Council Members Hope P. Kasper, Robert P. Santangelo, Grady L. Faulkner, Jr., Deborah A. Kleckowski, and Corporation Counsel Daniel B. Ryan

Also Present Mayor Daniel T. Drew, Dr. Patricia Charles, Dr. Gene Nocera, Board of Education Members Sheila Daniels, Vincent Loffredo, Ed McKeon, Cheryl McClellan, Mitchell Wynn, Ava Hart.

1. Majority Leader calls meeting to order.

The Chair, Majority Leader Thomas J. Serra, leads the public in the Pledge of Allegiance.

The Council Clerk reads the call of the meeting; the Chair declares the call a legal call and the meeting a legal meeting.

2. Workshop Opens

The Chair states this is a workshop between the City and Board of Education on a shared services agreement; he has not seen its like before. He asks the Mayor and the Board representatives to come forward. He states there will be a brief presentation first and the Council will ask questions after. The Mayor, Board Chair Gene Nocera, and Superintendent of Schools Pat Charles come forward.

The Mayor states this is a historical meeting. He appreciates everyone who came this evening. They are here to present to two legislative bodies the agreement they crafted to bring the finances together for several different purposes. First and foremost, it will increase transparency significantly between the City and the Board; it will bring us on to the same technological platform so that we can see what they are doing and they can see what we are doing at all times. It will increase understanding, transparency, and increase our better understanding of the financial situations we each find ourselves year after year around this time. We will be on the same exact platform and we will be able to save money because we will be able to combine staffs; we will be able to pool our resources together for better use. And finally, everyone here knows the City and the Board had a period of contention between the two of them for a long period of time. This agreement builds in an arbitration agreement should, at any time, it ever arises again, we will have the right to mediate and then arbitrate with the costs being born equally by both the City and the Board, including the need to go to court. This agreement as written mandates that this process takes place rather than going to court. That could potentially save millions of dollars. At this time, he turns to Dr. Nocera and Dr. Charles for their comments. Dr. Charles states this is exciting for this opportunity for increased efficiencies, the opportunity for some kind of savings because we know they are very precious right now, and what we do on the Board and what is done on the City side are very different. If we could combine some of those processes, using the same staff and the same software, there are certainly advantages. Most importantly is the software; forever she has heard the Board of Education needs to provide better transparency, better reports to the Council and Board of Education but we are at a serious handicap because of the software in use. You moved on to a more robust version of Admins and did that quite a while ago. Most cities use MUNIS; from the beginning, we were looking to purchase more robust software so we can produce the reports and information that is required of Boards of Education. Dr. Nocera welcomes everyone. He states he could spend an hour talking about the history which led up to this, but we had a meeting with the Mayor and staff talking about their areas. We could allow ourselves to say there is nothing we can do about it and be what we always were. We can continue to operate the same way; we know it is not efficient. We want a program to put us on the same plane. We appreciate the City's offer to provide the software because it is necessary. We cannot operate in a transparent way with the current system. We can't just worry

about expenses, that is not how to operate a budget. You can't talk to your people about a budget when it is only about expenditures. Having a system with just nine codes is very limiting. We are here to answer questions and we are open to suggestions. We want to get there soon because this passes for next year. Mayor states they will be happy to take questions from the Council or Board of Education.

Councilman Streeto is recognized. A member of the Board of Education has questions. Dr. Nocera responds it is to hold a workshop and provide an advanced copy of the agreement. He states the purpose is to talk about it. Councilman Streeto states for the record we haven't seen this agreement before tonight either. He asks how Blum Shapiro were chosen. The Mayor responds the agreement was mailed to the Council and Board electronically two weeks ago. He states Blum Shapiro currently audits the books for the City and Board of Education and we have spoken with them about the process of doing this because they run a business consultation unit, but most importantly, they have been selected by the State of Connecticut Office of Policy and Standards to write the new uniform chart of accounts by which we are all going to have to live. By doing it in conjunction with Blum Shapiro we will be doing it with the standards used by the State of Connecticut. Councilman Streeto asks if this will enhance their ability to seek out grant funds and communicate better with the State Board of Education. The Mayor responds he thinks so, but can't say definitively to acquire grant funds; it will give us a clearer picture of the financial condition of the Board and they will be able to call up information easier. Councilman Streeto asks the time frame; the Mayor responds it is open ended. We are hoping to see a vote at the Council level at the regular June Council meeting; the Board's time frame will be up to the Board. They would like to start implementation and working together to find out where each piece needs to go. Chair states the proposal will go nowhere unless adopted by two bodies and it is time for questions. Councilman Bauer is recognized; he states there are dollar amounts included here and when doing the right thing, it becomes an investment. He has been grappling on the City side the cost of doing nothing. He asks what the cost of the non-shared operations are. The Mayor states it depends on how you define the cost of doing nothing. Councilman Bauer has only two questions and will ask it; he finds promising about this, the City and Board have engaged in lots of software projects and you have reached out to an outside consultant to give balance to the prevailing ethos of what both the City and Board would do and he is a proponent of giving the outside consultant an greater charge to look at what other functions might be picked. What can be saved through the fact we are going to get from the third party consultant. The Mayor defines the cost of doing nothing; it is nebulous. Each year at this time, we work with the Board and Board works with us to craft a budget. I propose my budget and the Council works in caucuses to work on the budget. Historically there has been some tension in that process and doubt about the information in that process. This agreement would reduce the need of any contention. As part of that if we had this system in place, the City would see everything going on with the Board. The Council would know everything going on. The Superintendent mentioned early that the software is not adequate for the Board's needs. That is absolutely true. It is difficult for the City or Board to get a handle on the extent to which the Board receives grant funds from the State, Federal Government and other sources and so understanding those revenue pictures would help us to budget more appropriately. How much will it save will depend on the year and circumstances. The built-in arbitration procedure, should we get to the point we find ourselves in conflict again the way we have in the past, we will be forced to mediate, and then arbitrate those conflicts at the cost of thousands of dollars rather than hundreds of thousands of dollars or well over a million like the last series of conflicts. That is a very important distinction and that is something that will preserve this agreement and keep the Board and City on equal footing and give us qualitative quantitative benefits that can't be quantified now. Dr. Charles states we have a consultant who helps us with the software currently and we can get you a dollar figure of the cost to the Board. The Mayor adds event he City's accounting software, which is light years ahead of the Board now, is still inadequate for our purposes; it is a less than ideal system. A lot of Finance staff will attempt to run a report and will have to do it many times to get it. This system they are looking at we believe will be more efficient and we won't be spending money on redundant tasks. Councilman Giuliano states he certainly supports shared services; he advocated for it for a long time. The software: his understanding is the Central Office uses an older version of the Admins system and up until a few years ago, the City side was using that system. We upgraded and Central Office kept with the older system. While we are waiting for the purchase of the new software is there anything preventing the Board from upgrading at least to the current Admins system in the meantime. The Mayor responds it would cost thousands of dollars and require a new contract; if it didn't require a new contract, the bare minimum would be a month to month contract. The Board would need to rewire their account codes and that would be substantial and one which new will ultimately get to with the new software platform. It has been considered and discussed and it is not as feasible as it would seem. The best thing to do is move forward as quickly as possible in implementing the new system. Councilman Giuliano asks if the City adopts new software as well, does the City have to rewrite the account numbers or can we use the ones we have now. The Mayor states it would be up to Blum; we will be using the same code format, but whether it is the exact same codes, he doubts that. That is part of why we need to work together intensively and quickly. If we do this, we need to be on the same platform, the same version, and have the same procedures in place; when we do that we can more efficiently utilize and share resources. Councilman Giuliano states the Board can upgrade in the meantime; we spent a long time looking for a new software package for Central Communications. We spent a lot of time evaluating products; will we be doing something like that. Will they reach out to other users for MUNIS. The Mayor states Blum Shapiro has worked on projects like this in other communities and they shared their experiences. The Board did that to some extent and we

did that as well on the front end of this. Dr. Charles states they looked at software packages and the City was included on the discussion; additionally, there is a uniform chart of accounts coming down the road. It is expected that Boards of Education will adopt it first, then cities will also be expected to adopt it as well and Blum Shapiro is working with the state to create that. Councilman Giuliano states when they upgraded the Admins system there was a lot of discussion; it was not an insignificant contingent in the Finance that did not advocate for MUNIS. This is not something completely new to us; the history of the City and software systems has been one of buying a software package that gives us capabilities we did not have and then we ask the IT Department to modify it to do what we are already doing. I would hope we would get away from that and adapt ourselves to the capabilities of the products instead of doing the same things with a new product. The Mayor agrees with the Councilman. We should expand our horizons to use the capability of the software we are acquiring. We are moving in that direction. Councilwoman Russo Driska agrees with this; she believes they needed MUNIS for a long time. Will employees in Unions be affected and will it shift the hierarchy. The Mayor is not sure how that will work; no one will lose their jobs. The City does not pay into the State's unemployment pool and if we layoff individuals, we would pay for their unemployment, 60% of their salary not to work. We don't believe there will be a major effect on the employees; someone working for the City, when they finish a project, may be asked to work on a project for the Board and vice versa. The extent Blum Shapiro makes recommendations about that, they will have to involve the City and the Board in that process and the extent to change will have to be bargained for impact. They don't want adverse impact. If they say there is 15 people and we only need 12, then we could red circle positions and through attrition not fill them. We don't expect major adverse impact. Councilwoman Driska states Finance and IT have been on Board. Mayor responds yes; Finance has been involved from the first and IT is going through transition and as I pick a new IT director, this is one of the major things he is bringing up and when it comes to this body, I am sure you will be bringing it up as well. Councilwoman Driska states the last question is the questions raised by Board Member Loffredo, that it has not been brought up and discussed at the Board. What is the status. The Mayor states it is the whole process tonight; we are here to respond to questions and there will be no vote tonight. We don't expect to have one for several weeks and he won't speak to the Board, but it was e-mailed out to the Council and Board two weeks ago and tonight is to respond to questions you may have after that review; the Board and Council will then go back to their respective processes and ultimately take a vote at each body as to whether or not we are going to adopt the agreement. That is how the process will work. Dr. Nocera states we decided to use the same protocol with the shared service with Legal services. We modified that to a degree and what occurred in that first project, we developed a leadership proposal and presented it to the Board and ultimately to the Council. Tonight they are working jointly to present the information. We will be talking about it at the May meeting and we will go from there. Councilwoman Driska states she is concerned about the reaction of the Board back there. I want to be sure that the Board of Education is good with the agreement and approves it before this body. Dr. Nocera states the Board received a copy of it.

The Chair has a few questions as well; this project includes the City of Middletown revamping with MUNIS. Mayor responds yes. The Chair asks if they need consulting services. The Mayor responds they did the last two mergers/consolidations in-house, but in this case it would be better to work with a consultant. There are a number of compliance issues for the accounting framework that Blum Shapiro is aware of and the uniform chart of accounts will be required by us and even before that, the Board. Historically, there are certain things we could have done better and he makes the point if we are going to do it we should do it right on the front end. The Chair asks for the software \$500,000 and implementation \$150,000 and shared services \$75,000; he asks if it includes the consultant costs. The Mayor responds yes. The last question he has and asks the Finance Director, can we in an efficient way adopt the needs of the Boards with the product we have right now to get to the end means we want to or MUNIS is better. Mr. Erlacher responds the ultimate goal is to get them the package they need. If we were standing alone, we would not upgrade Admins. I don't see the bang for the buck unless we will be on the same platform. The Chair states the hesitation of some individuals, that is their thought as well.

He comments it took only two days this year to roll over to the new year; it might have taken 17 days in the past. For the public to pay for the software, they need results. I don't see the need on City side, but does see it on the Board side and MUNIS is what the Board needs. Bill Oliver looked at it on the City side. The Chair states with MUNIS, if it was just the City you would stay with Admins; but for both no. Mr. Erlacher states yes; we both need to be on the same platform. If Admins is not what they need, then we have to make the move. The Chair states his last question is within, if we move forward with MUNIS, within the dollars stated does it include training. The Mayor states it is all inclusive. The Chair asks Board Member Sheila Daniels; she shares her disappointment if this is collaboration. This meeting is not collaboration. She feels like someone from the City sitting in the audience. She thought they would participate in a workshop and you are giving preference to the Council and except for Vin Loffredo who stood up on his own at the beginning, there has been no acknowledgement of the Board Members. A workshop is at a table facing one another and the speaker facing us all; they have their backs to us and there is no collaborative effort. We are on an equal playing field and this format doesn't show this. The Chair states he did acknowledge you and others as well. You are right about a round table; it would have been better. Ms McClellan states she received the memo and it seems to favor the City more than the Board. She asks about the maintenance fee. The figures should have been more specific. It is vague and they have goals from Blum Shapiro and she wonders if they will be met. There is something that says that the City pays as long as they are

both on the same platform, but at the same time, there should be a reciprocal agreement. We are partners. We are not the stepchild coming in. The Chair asks for other questions. Mr. McKeon states in general the combined services is a good idea and the software seems to be what is needed and the document, with the escape clause and he asks why it will take two full votes to get us out of something that is not working right. The Mayor it is something that came up in negotiations. Essentially if we will put in 3/4 of million dollars, we need the agreement to last more than a year or two and because we have so much collaboration, involved because of the interweaving of the Board and City staff, it would be disastrous if one or the other could pull out unilaterally. It could cause disastrous consequences and would cost a fortune to clean up and would trigger the arbitration portion of the agreement. To avoid that, we built it in as a mutual requirement. For the investment and time and staff and policy they are making, it could create disastrous consequences if we could suddenly split apart. Dr. Nocera states it came up in discussion several times and the point of today's meeting is for us to look at the document and have a chance to deliberate on it to make necessary if they feel modifications are needed to do it in a timely way. It was not his intention that this was the document, take it or leave it. The point is collaboration. A table would have been better. We do want to come up with a document that the majority will feel comfortable with. Councilwoman Bartolotta apologizes for being late; why MUNIS. The Mayor states it is the ideal platform for the Board and ideally the best for the City. We need to be on the same platform; the Superintendent did some investigation and MUNIS meets the needs of the board and it has other applications. We want to be on the exact platform so that there is a transparency. Councilwoman Bartolotta states the Board did not join us when we upgraded the Admins; they can't use Admins because it doesn't break down the budget the same way as the city. Superintendent Charles asks Lynda McPherson to come forward because she did a comprehensive review of the different software packages and MUNIS was the ultimate choice. Ms McPherson states one of the big projects is payroll because of the number of different types of staff we have and she lists them. Everyone is paid a different way and the city has not ever converted their payroll system to Admins because they do not like the way it works. I have seen the way MUNIS prepares payroll and it does a great job using position controls when someone is out and various other things they have shown us with payroll. She sent a survey out to Business Managers and they all sent back and the majority are on MUNIS. Councilwoman Bartolotta asks if other programs were explored. McPherson states she asked business managers of other school districts about the software they use and it was MUNIS; we did have MUNIS and Admins come into the Board of Ed and do a demonstration for us. Councilwoman Bartolotta states she explored MUNIS on the Internet and saw quite a few complaints on MUNIS. I don't know if she should have brought the information with her. She sees other districts in our State complaining about this, but you said you did exploratory investigation. The Mayor states the payroll system, she is right and the system Admins has is inadequate for our needs. Today we use a timecard system that is less advanced from when most of us started our first job. There are codes for days and they are hand written and they have to be signed off by a supervisor and it is antiquated. Dr. Charles states they looked at another piece of software, but for our size district, it was not adequate. Councilwoman Driska states she agrees with collaboration; she is familiar with MUNIS and when the Town Clerk switched to COTT, they were in 90 cities in Connecticut and the majority of those cities had MUNIS. The Cott system allows you to transport all the financial data in the system to Finance rather than a Clerk balancing the reports and putting the numbers into the system. It is time consuming and errors happen. For years, Carl and I have had these discussions and based on Cott, they are the most widely used for the financial stuff. As far as the agreement, that is different. The Mayor states one of the reasons they had trouble with the Water and Sewer billing systems was because they were not compliant with the older versions of Admins. They work better with the version we have now, but they were designed to work with MUNIS. Councilman Bauer states he finds it interesting and you started with transparency and it refers to dollars and cents and it has a useful meaning here. We are having so many questions about the software, I feel that perhaps one of the best elements is that you are engaging a third party with outside expertise. Part of the process is how things work at the Board; how they work within City hall and he has been doing it a long time to figure it out and he still finds many inscrutable; when you bring in a third party, something good happens. Software implies an evolution of capabilities. We should not put the software first; we will lose the evolution of how the people react and evolve with the software. I feel the best thing going is the fact you brought in outside people with expertise. They will take their wisdom and apply it to our situation. He applauds everyone working toward that. It is the first step and this document will evolve. The Chair states we will have to stop the workshop and both bodies will have to look at the agreement. Board Member Loffredo comes forward are we currently under contract with Blum Shapiro; the Mayor states we are not under contract until the agreement is ratified. Mr. Loffredo states the State will be coming up with somethings that will have to be done and he turns to the Superintendent to state she knows where we stand with the Uniform Chart of Accounts. Dr. Charles states they are far apart and they have a lot of work to do. The Uniform Chart of Accounts will have changes to Board of Education and to the City; it is 15-16 for the Board and the following year, the City. Mr. Loffredo the system we might jointly adopt and will it be in compliance and is it in writing; what assurances do we have. The Mayor responds it is our intention to add to the contract when Blum Shapiro, any advice they give us about Uniform Chart of Accounts that it is included and if they are not done, they will have to include the work with us. Dr. Nocera states Blum Shapiro is the consultant working with OPM on the system. Mr. Loffredo states that will have to be worked out. Parties are far apart and he would not want to enter in to the agreement unless this was definitive and in writing that the system will handle what the State will be requiring. The Chair states we can recess this or continue to 7 p.m. Point of Information Councilman Giuliano asks Dr. Charles what she meant when she said the parties are far apart;

was it the City and the Board or we are far apart from what the State is going to require. Dr. Charles states that is what she meant. Chair asks if there is further questions; seeing none, he will adjourn. The Mayor states before you do so, along with Dr. Nocera and Dr. Charles, he will be available to answer questions regarding the agreement. Councilwoman Bartolotta asked about MUNIS, the Board gave a good reason to why and to go back to Councilwoman Driska, she will be cautious because we have spent hundreds and thousands of dollars on computer with things that have not worked. You stated if we don't use Admins for employees for payroll, she wants to make sure they cover every avenue because the cost is a million dollars. The mayor responds they are taking a different approach; part of it is to do it on the front end. The Chair states they will not let it occur; the Board will do their due diligence as the Council will and that is what the workshop is for. Dr. Charles states it is not optional for the Board of Education; it was part of the budget request and it was reduced by the amount of the software, but all year long we have been waiting for the software; anything is better than what we have. The Company doesn't support our software anymore. If something happens to our consultant, we will be up a creek. The Chair states it won't be a year.

3. Workshop Closes.

The Chair closes the workshop.

4. Meeting adjourned.

Councilman James B. Streeto moves to adjourn the meeting. Councilman Carl Chisem seconds the motion. The chair calls for the vote. It is unanimous to approve with 7 aye votes. The chair declares the meeting adjourned.

ATTEST

MARIE O. NORWOOD
COMMON COUNCIL CLERK