

The Regional School District 13 Board of Education Educational Resources Committee met on Wednesday, October 16, 2019 at 6:00 p.m. in the Library at Coginchaug Regional High School, 135 Pickett Lane, Durham, Connecticut.

Committee members present: Mrs. Geraci, Dr. Friedrich, Mr. Roraback, Mr. Yamartino and Mr. Moore  
Administration present: Mrs. Neubig, Director of Finance  
Guests present: Mrs. Gaudreau, Operations Manager, Mr. Croteau, Facilities Manager, Mr. Hanlon and Mr. Caine from NORESCO, Mr. Mazzaferro from ECG Group and Mr. Petrucelli, Project Architect, Silver Petrucelli

The meeting was called to order at 6:00 pm.

**Pledge of Allegiance**

The Pledge of Allegiance was recited.

**Public Comment**

None.

**Approval of Agenda**

*Mrs. Geraci made a motion, seconded by Dr. Friedrich, to approve the agenda as presented.*

*In favor of approving the agenda as presented: Mrs. Geraci, Dr. Friedrich, Mr. Roraback, Mr. Yamartino and Mr. Moore. Motion carried.*

**Approval of Minutes – May 29, 2019**

*Mrs. Geraci made a motion, seconded by Mr. Roraback, to approve the minutes of the May 29, 2019 meeting, as presented.*

*In favor of approving the minutes of the May 29, 2019 meeting, as presented: Mrs. Geraci, Dr. Friedrich, Mr. Roraback, Mr. Yamartino and Mr. Moore. Motion carried.*

**Audit Status**

Mrs. Neubig stated the audit field work was completed on October 9th. The auditors were pleased with the new financial software and had remote read only access for 90 days. As a value added service, the auditors completed and will report on an assessment of our Information Technology procedures. Additionally, funded in the 2019-2020 budget was a fraud audit for which discussions will begin on October 22nd to identify what area of the ancillary funds will be audited with a deeper dive. Phase 1 of laptop encryption has begun and phase 2 will be budgeted for in 2020-2021. Mrs. Neubig stated as a condition of awarding the bid to Blum Shapiro, a new partner was assigned to the district, her name is Leslie Zoll.

## Bond Project Updates

A \$6.9M bonding package was approved to fund immediate need capital infrastructure improvements. Some of these projects have since been identified as being eligible for an energy cost offset project. Should the energy project proceed, the cost of these projects will be funded through the offset of utilities costs and provides the board the opportunity to direct the funding towards other identified projects or reduce the amount of the borrowing.

## Energy Project

Mrs. Neubig introduced the guests from NORESKO, ECG and Silver Petrucelli stating the team has been working closely with the district to identify cost saving energy measures. Aldo Mazzaferro from ECG has been working on the project with the district for over a year and will remain on for design, construction, etc.

Keith Hanlon from NORESKO presented the list of projects covered under the energy project. He discussed how the projects were identified for each classification. Mrs. Neubig stated the project would be funded through energy savings realized through the installation of energy savings equipment and other measures. The term is 15 years financed through NORESKO. The cost savings in energy is paid to NORESKO based on a guaranteed contractual yearly total, resulting in a slight positive cash flow. The operating budget will not increase due to this project, the savings offset the payments. The total projected positive cash flow totals \$264,000 or approximately \$14,000-\$22,000 per year.

Mr. Moore asked about ownership of the equipment and Mrs. Neubig consulted with the auditors who stated it would be a fixed asset entry with RSD 13 owning the equipment. Mr. Moore asked if our attorney has reviewed the contract and Mrs. Neubig indicated he has it now.

Dr. Friedrich inquired who would do the installation and Mr. Hanlon explained that NORESKO does all the installation work.

Mrs. Neubig further explained that NORESKO guarantees a predetermined savings each year based upon units saved and if we do not meet expectations they will write us a check.

Mrs. Geraci asked what the biggest savings were. Mr. Hanlon stated the lighting followed by boilers.

Mr. Yamartino asked what the total cost of the capital equipment going into the project. Mr. Hanlon stated approximately \$4M. Mr. Yamartino expressed he didn't see the advantage of hiring an outside company like NORESKO as the ROI might be better do it ourselves. Mr. Hanlon stated there are incentive programs through the utility companies, which are available to them and not individuals. NORESKO ensures that all incentives and bonuses are achieved. Mr. Mazzaferro stated that you need ongoing review of how the capital equipment is working, again something that they provide and not able to be done internally with current bench strength. Mr. Hanlon stated there are lighting requirements by the utility companies to get extra bonuses. Dr. Friedrich stated there was engineering value provided by NORESKO. To calculate the projected savings, Mr. Hanlon stated they installed "loggers" to track when lights are being used to analyze optimal savings and has performed initial testing on new boilers. Mrs. Neubig stated the projects would need to be coordinated with any potential new alterations at Brewster and Memorial Schools. Mr. Hanlon stated the current plans for construction at the two schools have

taken into account those capital projects. However, if any changes were made, such as adding a gym, NORESKO would need to be notified.

Mr. Yamartino asked if we should consider bonding the project ourselves if we could get a better interest rate. He would like to know the Net Present Value of the project.

Mrs. Gaudreau stated she attended an Eversource conference and stated the Montville School District does their own monitoring, but has a larger facilities staff with dedicated staff members who monitor energy savings. Mr. Yamartino clarified that he was only looking at the possibility of us taking on the bonding and not the entire project.

Mr. Petrucelli stated the amount of capital costs that may be transferred to the energy project from the bonding project is approximately \$1.5M. Mr. Yamartino stated that 1/3 of the project was already in the original bond and we should explore this more. Mr. Moore stated he would meet with Mr. Yamartino and Mrs. Neubig to discuss the financing and will bring it back to ERC.

### **Capital Fund 1%**

Mrs. Neubig stated the current state budget increased the capital and non-recurring fund cap to 2%, however, the statute cited did not include regional school districts.

### **Auditorium Lighting**

As the auditorium lighting ages, Mr. Croteau has researched a replacement lighting option. This was discussed through the energy project with NORESKO but determined by the team to be too cost prohibitive with minimal payback. Mr. Croteau stated the lighting is combined of 500 and 300 watts. They need to actually walk the ceiling to change lighting. Mr. Croteau has been researching alternatives. NORESKO identified a cost of \$74,000. Mr. Croteau found a solution estimated at \$30,000 and he continues to research more options. This may be considered for funding in the 2020-2021 budget.

### **Public Comment**

None.

### **Adjournment**

*Mrs. Geraci made a motion, seconded by Dr. Friedrich, to adjourn the meeting.*

*In favor of adjourning the meeting: Mrs. Geraci, Dr. Friedrich, Mr. Roraback, Mr. Yamartino and Mr. Moore. Motion carried.*

The meeting was adjourned at 7:00 p.m.