

The Regional School District 13 Board of Education Finance Committee met in special session on Monday, November 18, 2019 at 6:30 PM in the Library at Coginchaug Regional High School, 135 Pickett Lane, Durham, Connecticut.

Committee members present: Mr. Augur, Mr. Booth, Mr. Irish, Mrs. Lowry, Mrs. Neubig, Ms. Opalacz and Mr. Stengel

Committee members absent: Mrs. Geraci and Mrs. Patel

Other board members present: Mr. Moore

Guests present: Mrs. Francis, Durham First Selectman and Mr. Bailey, Middlefield First Selectman

Mr. Augur called the meeting to order at 6:30 PM.

Pledge of Allegiance

The Pledge of Allegiance was recited.

Public Comment

Carl Stoup thanked the Board of Education for moving the amendments to the regionalization plan forward.

Approval of Agenda

Mr. Stengel made a motion, seconded by Mr. Booth, to approve the agenda, as presented.

In favor of approving the agenda: Mr. Augur, Mr. Booth, Mr. Irish, Mrs. Lowry, Mr. Moore, Mrs. Neubig, Ms. Opalacz and Mr. Stengel. Motion passed unanimously.

Approval of Minutes - March 6, 2019

Ms. Opalacz made a motion, seconded by Mr. Booth, to approve the minutes of the March 6, 2019 meeting, as presented.

In favor of approving the minutes from the March 6, 2019 meeting, as presented: Mr. Augur, Mr. Booth, Mr. Irish, Mrs. Lowry, Mr. Moore, Mrs. Neubig, Ms. Opalacz and Mr. Stengel. Motion passed.

Durham capital needs and budget priorities

Mrs. Francis explained that this compilation was prepared with Beth Moncata, Durham's Finance Director, and represents some of the major projects and challenges that the town will be facing over the next few years. It includes capital needs and plans as well as some challenges they will be facing. She added that there is a pending crisis with the delivery of fire and EMS services and noted that EMS is having more and more difficulty finding volunteers with fire not too far behind. She felt that none of the options for this will be cheap. Mrs. Francis added that municipal solid waste will be the next crisis that the towns will face. Trees is a six-figure problem, if not more, depending on the size the community. For many reasons, trees are dying or already dead.

Mrs. Francis explained that 2020 will be a revaluation year in Durham and they are hoping to hold steady. She added that the Board of Selectmen will be officially disbanding the building committee that has been in place for the public safety facility at tonight's Board of Selectmen meeting, however that does not mean that a solution is not needed.

On the positive side, Mrs. Francis noted that she and Ed Bailey agreed on an offer to a new Town Planner today. That will help to push forward with some economic development initiatives. Mrs. Francis left the meeting at this point to attend the Board of Selectmen meeting.

Mr. Stengel reviewed that Durham has a \$1.5 million culvert project underway. They hope to get some state aid for Town-Aid Roads (TAR) and Local Capital Improvement Plan (LoCIP). The ECS projection does not include the impact of lower student enrollment or any other changes and shows a loss of \$145,000 per year. Mr. Stengel explained that that will eventually be a \$1.3 million annual loss in ECS funding.

Mr. Moore asked if there has been discussion about the Teachers' Pension Fund and Mr. Bailey stated that that hasn't been discussed and probably will not happen until the next budget cycle.

Mr. Stengel went on to review that Durham has a communications project over the next three years. He also mentioned the public safety complex as well as the two buildings on either side of the firehouse. Mr. Stengel confirmed that there are big, old, dead trees all over town and Mr. Moore mentioned that Eversource has been doing a lot of tree work as well.

Mr. Stengel noted that Durham received the benefit of the small change in school allocation this year. They are also making progress with both water and gas.

Middlefield capital needs and budget priorities

Mr. Bailey explained that Mr. Irish prepared his report in consultation with the Finance Director and Mr. Bailey. He added that municipal solid waste is becoming a challenge and he expects DMIAAB disposal costs to go up as much as \$70,000 in this fiscal year (which is split 2/3 and 1/3 between the two towns). Middlefield has been budgeting \$30,000 a year for tree work and that has already been spent this fiscal year. He also believes that the shared Town Planner will work well for the towns and the school district.

Mr. Bailey feels that it is promising that the towns will see the TAR and LoCIP funding this fiscal year. He explained that Middlefield's ECS projections are half of what Durham's are, being down approximately \$650,000 by 2028.

Mr. Irish reviewed that Middlefield's ECS will be \$50,000 less in this coming year and the swing in enrollment was \$62,000. That is a 1 percent deficit to begin the year with. He then reviewed both capital projections (which is slowly inching up) and debt service. Middlefield has started a road survey and an estimate of \$400,000 to \$450,000 per mile was given to replace roads. They are using a lower estimate of approximately \$150,000 per mile, with 30 miles of roads in town. Middlefield also has an issue with the firehouse and has had to pay extra on the last two trucks purchased just to have the chassis lowered to fit in the firehouse. Right now, there are several possibilities with the firehouse and a building committee will be formed.

Mr. Irish reported that the Grand List is going up and that will provide some cushion for the budget season. The Fire Department just recently leased some communications equipment at \$50,000 per year for the next seven years. Salary increases average about 2.25 percent. Looking at state aid, Middlefield's non-ECS, TAR and LoCIP funding has been pretty consistent at \$15,000 per year. Mr. Bailey added that the town has approximately 10 to 14 different state sources of revenue and are all changing in a non-favorable direction.

Mr. Augur asked if there has been more discussion on averaging enrollment and Mr. Bailey stated that the proposal last year didn't get any traction. The Regional School District Working Group will probably meet again in January to prioritize their legislative agenda. Their priorities will be to level enrollment assessments, create a finance committee and look at statutes that govern school districts. Mr. Bailey explained that the working group consists of approximately 25 First Selectmen that are part of regional school districts.

Plan of Regionalization status on amendments

Mr. Augur had circulated the proposed amendments and Mr. Moore explained that these amendments were adopted by the Board last week. Mr. Moore explained that these amendments came about based on the Bond Counsel's recommendation. The regionalization report did not specifically state that the Board of Education could close schools. Also incorporated in these amendments is to acknowledge the change in Durham's town charter regarding Board of Education member elections and terms of office. It was also noted that the amendment states that at least one facility will remain in each town.

Mr. Moore explained that this will now go to a public hearing and will need to pass at a referendum in both towns. It has not yet been clarified whether Middlefield needs to vote on the issue of Durham's election method and terms or not. Mr. Irish felt that there would be no objection in Middlefield. Mr. Moore stated that they are trying to hold the referendum on the amendments to the report in January, with the public hearing in December.

Mr. Moore also noted that the three Durham members of the Board whose terms expire in July would move to an expiration in November. Ms. Opalacz asked if the district would be responsible for the election costs. Mr. Augur noted that municipal elections cannot be held in even years and felt that they may only have to hold a special election once. Mr. Moore explained that the lawyers would be looking at all of this.

Status of Brewster/Memorial bonding

Mr. Moore explained that the referendum on the renovations has been delayed and the bonding will be done in May. The current grant application has been withdrawn from the State Board of Education. Mr. Stengel asked if they felt there would be pressure to get the matching funds from Hartford and Mr. Bailey stated that he understood that the governor's prohibition did not affect schools. He was not sure what the percentage of reimbursement would be. Mrs. Neubig commented that it has been pretty level for the past few years, but could change at any time.

Mrs. Neubig explained that the full amount before reimbursement will have to be bonded. There had also been discussions about alternatives. Mr. Moore stated that these renovations were necessary so that Lyman School could be closed which would save approximately \$4 million in capital needs and \$1 million for yearly operating costs.

RSD 13 budget calendar

Mr. Augur reviewed that everyone should have copies of the proposed district budget calendar.

RSD 13 budget priorities and parameters

Mr. Moore explained that the board held three different exercises about the budget. The Board met in a retreat and came up with their priorities. The administration also met and did the same thing and then there was a community meeting where they gathered information from the public.

Mr. Moore reviewed that the desires pretty much matched from all three groups. The district just finished up negotiations with the teachers and will come to the board for approval in December. They are working to maintain flat capital and debt service.

Mrs. Neubig reported that the district has been monitoring the usage of lights, equipment and infrastructure and is working with Noresco to find energy-saving measures. With those measures in place, they will be able to purchase capital equipment, such as boilers, with that savings. They are looking at options on how to fund this, including bonding, financing through Noresco and a capital lease. They will look to do it the cheapest way possible and it will be approximately \$5 million in capital equipment paid off over 15 years, with level budget impact.

Mr. Stengel reminded everyone that the last time energy efficiency was discussed was with the Brewster solar panels and that was voted down. Mrs. Neubig explained that there was no solar in this proposal. Mr. Moore summarized that Noresco will build the system and install it and the district will continue to pay the operating costs. The realized energy savings will pay for the capital equipment.

Mr. Moore added that there has also been a lot of interest in improving the playgrounds at Memorial for both school and town use. That will be discussed at the Utilization committee meeting on Thursday. He also reviewed that there has been a lot of interest in enrichment programs and more arts classes as well as personal finance courses. There is also support for curriculum improvements that have been made and project-based learning. Mrs. Lowry added that she felt that the district definitely needs to improve what is offered to the kids.

Mr. Moore explained that there has been a lot of discussion about outdoor learning as well as the global partnership. He felt that the program with China was very successful and 22 students have signed up to go to China in March. They will spend approximately 10 days there and the parents pay for them to go (approximately \$2,700 per student).

Mr. Moore stated that the general budget priorities are to keep within the community's needs. The budget requests are due in on December 13, 2019. Mr. Stengel reported that he expects Durham's budget hearing to be on April 6, 2020 with the town meeting on May 11, 2020. Mr. Bailey explained that he submits his budget at a public hearing in March and the Board of Finance reviews it and holds their public hearing in April.

Mr. Irish asked if there were any proposed dates for the approval of the amendments and Mr. Moore said they were waiting to hear from Bond Counsel before they can create the referendum language.

Public comment

None.

Adjournment

Mr. Irish made a motion, seconded by Mr. Stengel, to adjourn the meeting.

In favor of adjourning the meeting: Mr. Augur, Mr. Booth, Mr. Irish, Mrs. Lowry, Mrs. Neubig, Ms. Opalacz and Mr. Stengel. Motion passed unanimously.

The meeting was adjourned at 7:33 PM.

Respectfully submitted,

Debi Waz

Debi Waz
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