

The Regional School District 13 Board of Education Finance Committee met in special session on Tuesday, February 25, 2020 at 7:00 PM in the Library at Coginchaug Regional High School, 135 Pickett Lane, Durham, Connecticut.

Committee members present: Mr. Augur, Mr. Irish, Mrs. Lowry (arrived late), Mr. Moore Mrs. Neubig, Ms. Opalacz, Mrs. Patel and Mr. Stengel

Administration present: Dr. Serino, Superintendent of Schools

Committee members absent: Mr. Booth and Mrs. Geraci

Mr. Augur called the meeting to order at 7:00 PM.

Pledge of Allegiance

The Pledge of Allegiance was recited.

Public Comment

Carl Stoup commented on the energy project and noted that he has looked at the numbers and comes up with about \$3.4 million though he doesn't have all the details.

Approval of Agenda

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

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

Approval of Minutes - November 18, 2019

Mr. Stengel made a motion, seconded by Mrs. Neubig, to approve the minutes of the November 18, 2019 meeting, as presented.

In favor of approving the minutes from the November 18, 2019 meeting, as presented: Mr. Augur, Mr. Irish, Mr. Moore, Mrs. Neubig, Ms. Opalacz, Mrs. Patel and Mr. Stengel. Motion passed unanimously.

Review of the Superintendent's Proposed Budget

Dr. Serino began by explaining that the gross budget increase is 2.29 percent with a total net operating budget increase of 2.62 percent. Revenue is projected to be lower next year than the current year.

Looking first at salaries, there is an increase of \$87,289. This is an overall change of +2 FTEs and the salary line is funded at 95 percent based on historical data relative to an under-expended salary line. The changes in staffing include some reductions based on declining enrollment which is mostly at the high school.

Mr. Augur suggested that everyone look at the updated enrollment projections which are posted on the website. Mr. Irish asked if those projections include information by town and Dr. Serino will share that information at the board meeting. She felt that if Lyman was to remain open, students from Durham would need to go there as well. Mr. Stengel noted that while he sees total enrollment going down, he was surprised to see births going up. He thought that maybe the trend will swing back in the long term. Dr. Serino stated that this is not the case. Mr. Augur pointed out the pattern of kindergarten enrollment being

higher than projected births. Ms. Opalacz felt that the enrollment somewhat stabilizes over time. Dr. Serino noted overall enrollment stabilizing at about 100 per grade, but lower at the high school level in the upcoming years.

Continuing with the budget, Mr. Moore explained that the salaries reflect the negotiated increases with the bargaining units. Dr. Serino described the cuts that will be made to include teachers in business, math, science and social studies at the high school. At Strong, there will be a reduction in ELA and a reduction in health/PE at Memorial. In the central office, they will be changing the Director of Organization Development, which was a member of the administrative bargaining unit, to be a non-union HR specialist which will be .5 and at a projected lower salary.

Additions to staffing include a grade 2 teacher at Brewster based on enrollment. They are also proposing a Coordinator of Student Affairs which will be in the teachers' union at Strong, an enrichment teacher to work with students identified as gifted and talented focused on the middle school, an alternative education teacher at Coginchaug to help bring students back into district, a district-wide BCBA (board-certified behavior analyst) and a literacy specialist. In the non-certified area, in addition to the HR position they are proposing a district IT network specialist. These represent an overall change of 2 FTEs.

Ms. Opalacz asked if they are increasing in areas because of the composition of the student body vs. the decrease in enrollment and number of schools. Dr. Serino indicated that they are responding to student needs. She also noted that it could conceivably cost \$150,000 a year to place a student outside of the district and \$60,000 to \$70,000 on their transportation. The proposed positions would result in a cost reduction if they brought even a couple of students back into the district. The district currently contracts with an agency for the BCBA services and that would also represent a cost savings.

Dr. Serino also noted that the state reimburses for excess costs for special education to help offset what it spent, but that excess cost reimbursement is anticipated to go down by about \$60,000. Mr. Irish asked how many students we actually outplaced and how many are anticipated to be able to come back into the district. Dr. Serino hoped that two students will be brought back into the district out of approximately seven students.

Dr. Serino felt that the district has the best IT department she has ever seen in any district. As the number of devices increases, staffing has remained fairly flat. The biggest increase in that area is in security and cyber security. Mr. Stengel stated that he recently read an article about IT companies gathering student data from devices and then marketing that data. Dr. Serino noted that the district has student data privacy policies, but it is frightening and there are questions about what security can be outsourced.

Mr. Stengel took the enrollment numbers by grade and divided the number by the target size to come up with a number of classrooms. He has found that Lyman grades one and two have five teachers and it could be done with four teachers and still meet target. Grades three and four would be three-tenths of a student above target. In grade five at Memorial, with a target of 25 students per class, it could be reduced by one teacher and be at 25.25.

Dr. Serino felt that eliminating teachers at Lyman would result in a packed board meeting. Mr. Augur felt that some students have flipped from ID to contemporary and he agrees with Mr. Stengel.

Mr. Stengel then went on to look at central office staffing that went from 13.7 to 15.2 and Mrs. Neubig explained that that is the 1 IT and the .5 HR.

In the area of benefits, there is an increase of \$405,000 which is primarily due to the projected increase in health insurance. She reviewed that there had been a significant decrease last year as a result of

negotiations and changing carriers. Claims are trending up, but they have budgeted for a 7.5 percent increase which is based on historical trends. There was an increase in the workers' comp rate and an increase in the district's pension contribution.

In purchased services, there are increases in professional development funding for wellness, racism and equity and cyber security. They will continue to focus on general security as well as professional services for specialized instruction in speech. Decreases are projected based on the in-house BCBA and they did not budget for an updated enrollment study. There was also a decrease in the culvert engineering fees.

Mrs. Neubig explained that there is an overall increase of \$279,000 in buildings and grounds. This part of the budget includes a lot of infrastructure repairs and replacements. This area includes disposal services, snow removal and lawn care as well as repairs and district leases. An increase of \$220,000 is attributed to indoor and outdoor repairs and maintenance and \$47,000 for capital leases resulting from the energy savings project.

Mr. Stengel asked how obligating the communities to a long-term capital lease is different from obligating the communities to debt. Mrs. Neubig explained that the difference is that the equipment is returnable at any time and does not qualify as debt. She noted that that was an opinion from the attorney. Mrs. Patel asked if there would be a penalty associated with returning the equipment and Mrs. Neubig explained that there would not be.

Mrs. Neubig explained that there is also a proposed lease for a used truck for buildings and grounds. There are also a few expiring leases. Mr. Augur noted that it seems like a big number for repairs when they had bonded. Mrs. Neubig reviewed that they needed far more money than was bonded. Mr. Augur asked to see details on the \$279,000 of non-critical repairs. Mrs. Neubig explained that basketball court and tennis court repairs at the high school, security blinds at Brewster and tennis court repairs at Memorial (possibly transitioning to basketball, four square and pickleball) are all included. Other items included are building automation repairs and replacement, chillers, boilers, carpentry, plumbing, gym floor resurfacing at Cuginchaug and Strong, roof repairs, portables, unanticipated building repairs and maintenance and generator, glass repairs, bleachers, etc. Altogether, it adds up to \$477,000 but there were decreases in copied services and other expiring leases which brought it down to an increase of \$279,000.

With regard to the \$6.9 million bonding package, they are working closely with Silver Petrucelli and Noresco to avoid duplicating any efforts. The culvert is being worked on and they are hoping to start on the roof. Mrs. Neubig explained that the bonding money can only be spent on the specific items that were included in that package. Mr. Irish asked if there are any items in the \$6.9 million package that are part of the energy project and, if so, how much would that number come down. Mrs. Neubig stated that there are and it will total about \$1 million, however the architects also noted that the pricing that was used for the bonding package is five years old. There was a contingency built into the bonding package, however. Mr. Stengel noted that the culvert projects in Durham are significantly over budget. Mr. Moore reviewed that these decreases in the bonding project will allow the district room for additional bonding with no increase in the budget.

In the area of operating services, there is an overall decrease of \$17,000. There is an overall increase of \$210,000 in transportation because of the contractual increase as well as requiring an additional bus for preschool and kindergarten. Vo-Ag and magnet school transportation is also included, but magnet school transportation is offset by a \$6,000 grant from the state. Operating services also includes communication, insurance and travel which shows an overall increase of \$8,000, largely due to property insurance renewal. Tuition has decreased by \$236,000 due to the potential decrease in outplacements as a result of the proposed in-house alternative education program.

Looking at supplies, Mrs. Neubig explained that this area includes classroom, instructional and office supplies as well as building and grounds supplies. Textbooks are also included in this area. There is an overall decrease of \$154,000, which is mostly due to the energy project. There is also a decrease in overall curriculum supplies. Buildings and grounds supplies is also decreased, primarily in the areas of fuel and electricity which can be attributed to the energy savings project. The district's overall need for textbooks has decreased by \$25,000. Mrs. Neubig explained that the district is converting to natural gas and did not purchase new equipment.

Dr. Serino reviewed that equipment and capital has an overall increase of \$294,000. Playground equipment at both Lyman and Memorial has been included as well. Ms. Opalacz asked about putting equipment at Lyman and Mrs. Neubig explained that it will be movable. Ms. Opalacz is frustrated that parents did fund-raising for the equipment at Korn and now it is expected to come out of the budget. Dr. Serino stated that parents are concerned that there is no playground at Lyman and the portables have been closed. She gave some examples of what is being proposed at Lyman and Ms. Opalacz felt that \$50,000 was a lot.

Dr. Serino went on to review that iPads for kindergarten and first grade are included as well as cyber security software. There was a question about why kindergartners and first graders need iPads and it was explained that they are teaching tools.

Mrs. Neubig also explained that there is a \$120,000 placeholder for a field storage building at Coginchaug. There is also a \$370,000 transfer to capital reserve to fund ongoing, identified priority areas including the continued funding for the turf at Coginchaug, continued funding of the classroom furniture replacement cycle, continued funding of unanticipated building repairs, phase 2 of the fire suppression sprinkler system at Coginchaug, Strong, Central Office and Korn (phase 1 is included in the \$6.9 million bonding package) to bring it above ground. They also plan to replace the gym floor at Brewster.

Mr. Moore explained that the Building committee is getting estimates on the field storage building and several groups have pledged money to help with the construction. The \$120,000 placeholder does not include any bathrooms.

Dr. Serino went on to review that there is a slight increase in dues and fees and about a \$10,000 increase due to an entrance fee for the robotics competition which had been previously funded by a Merwin grant. The debt service is level funded.

Ms. Opalacz asked how this budget compares to this year's actuals and Mrs. Neubig explained that they are trending close with salaries, with about \$200,000 under-expended this year (total budgeted salaries this year \$21,436,667). One area that is over-expended is outplacement tuition. Everywhere else is running very close to budget. Mrs. Neubig does anticipate that there will be an overall surplus. Mr. Irish asked if the fund balance is being used to fund the budget and if the lower fund balance will affect next year's budget. Mrs. Neubig explained that if everything stays the same, the surplus should be at least \$200,000 in salaries and any over-expenditures will be covered by that. She is not worried about the fund balance for 2019-2020. State law mandates that school districts use their remaining fund balance to fund future budgets. Mrs. Neubig explained that the highest the fund balance was \$2.2 million and they are now at \$2.3 million. It has gone as low as \$1.4 million in 2017.

On the revenue side, Dr. Serino noted that they are anticipating \$100,000 in in-house tuition from MTA as well as pre-K and STEAM camp. The activity fee shows a decrease because the board asked to have the pay-to-participate fees removed. Mr. Moore explained that the majority of the board felt that students

should not be prohibited from activities because of cost. The total revenue decrease is projected at \$63,912.

Mr. Moore noted that the total net budget is still lower than the 2015-2016 budget. Mr. Augur noted that enrollment has gone down more than budgets have. Mr. Moore explained that the board has not gone through the budget yet and discussions on staffing and special program start at tomorrow night's meeting. Capital will be discussed at the meeting in two weeks and the rest will be discussed over the following two weeks.

Korn Building - Durham

Mr. Moore explained that the Utilization Committee asked the board to write a letter to the Town of Durham offering to give them Korn School and Middlefield's members agreed to not charge anything since the debt service will be gone at the end of the year. Dr. Serino explained that Durham is attempting to see if the project can be done at a more reasonable price and they are trying to enlist the help of a code consultant who could look to see if any waivers could be instituted. The board hopes to hear from the town by the end of March. She does believe that the town is seriously looking into this and George Eames seems very committed to looking at this as a possibility. The board also felt that, in the event that Durham turns down the offer, they will have discussions about razing the building. Mr. Moore explained that moth-balling could occur in this year's budget, but not razing it. Mrs. Neubig noted that moth-balling is included in this year's budget and there are no expenses included for maintenance at Korn. At this point, the building is only used for voting. Mrs. Neubig felt that about \$85,000 is budgeted for Korn and \$50,000 in legal fees for a transfer. Mr. Moore felt that if Durham says no to the building, the district will just let it go and ultimately raze it.

Mr. Stengel felt that would be a terrible shame. Dr. Serino added that the board wonders how many things they can just keep talking about year after year after year, including the field house. She believes that while a decision on Korn School may be an unfortunate decision, there needs to be a decision made.

Mr. Stengel asked about the request to have before- and after-school care and whether Korn School could be used for that. Dr. Serino explained that they just don't need the space. She also noted that Dolphin Days has reached out to partner with the district and those conversations continue.

Referendum Update

Mr. Moore reviewed the results, with 491 in favor of question 1 and 754 against, which failed in both towns. They have heard that there is a fairly strong group in Middlefield who want to keep two schools in town because Durham has several schools. Another thought is that people want to keep Lyman open because they are trying to salvage the Lyman program, although the board has already moved to go to a single program. A third thought is that people don't trust the board to make decisions, despite the fact that any improvements or capital project has gone to referendum. Mr. Augur felt that there was an element of confusion about the question from people who had never read the amendment.

Mr. Moore explained that many changes have occurred in the district over the past 52 years, including closing Center and Korn Schools, having kids from Durham go to school in Middlefield and vice versa and having everybody go to Strong School. There is no longer 3-5 in Durham. Programs have been changing all along and this is just another evolution.

Ms. Opalacz doesn't understand why it matters where the building is. She understands that there are more Durham kids at Lyman than Middlefield kids and could understand the argument of neighborhood

schools, if their kids were staying in town. Mrs. Lowry felt that it was all perception. Mrs. Neubig stated that she has heard it will affect resale values.

Mr. Moore noted that Durham may have three schools, but Middlefield has two golf courses, a ski area, a pond, a lake, a couple of bars and an industrial park. He believes that people obviously didn't read the history and reiterated that every decision that has involved finances has gone to public referendum. The budget does not have to go to referendum, but it has been the policy of the board to do so. The board's attorney will be attending tomorrow night's meeting to talk about the specific court decision that is impacting this and what options are available. Mr. Moore believes they will need an amendment that has a defined process of how to close a school. He also reviewed that when the district was created, all of the school buildings became property of the district and not the towns. That would mean that the towns cannot individually vote to open or close a school because it would have to be a district majority.

Mrs. Lowry asked if there was any language in the regionalization plan that required each town to have its own school. Dr. Serino explained that it states there will be an elementary school in each town and the attorney has advised that the board can change the grade configuration, but should keep an elementary school in each town. It was agreed that Memorial does count as an elementary school.

Mr. Augur asked if there was something that precluded the board from including the actual amendment on the ballot. Mr. Moore explained that that probably should have happened, but they used language provided by the attorney. Mr. Irish asked if the attorney said they did not need an amendment and Mr. Moore stated that the attorney has said that it is necessary to complete the process of amending the plan to provide a process for closing a school. Dr. Serino added that there have been questions about only be Middlefield people who vote on closing a school in their town. She also hoped that the attorney can explain some of the issues to the public and they can better understand what is happening.

Mr. Augur asked about the article in the Town Times that suggested that the most straightforward way would be to present a bond package for Lyman and Mr. Moore didn't believe he said it that way. Dr. Serino noted that one of the board members had suggested they publish exactly what it would cost to address all the needs at Lyman. Mrs. Lowry felt that people should make an informed decision and decide if they are really willing to spend that amount of money to keep Lyman school open for the numbers of kids currently attending. She does feel that it is the people that make the difference, not the building. Ms. Opalacz felt that if we wait long enough, we will probably regionalize with other towns as well.

Dr. Serino added that they also know they need support from people other than board members and administration. She does believe that the amendment can pass, but it will have to be done with a strategic approach. Ms. Opalacz felt that the people need to see the actual costs and Mrs. Lowry questioned that if people don't want to build a field storage building, why would they be willing to put that kind of money into Lyman. Mr. Moore reminded everyone that people still want to build a K-5 at \$22 million for each town. Mrs. Lowry stated that she had somebody approach her who was very adamant that Lyman needed to stay open and she pointed out that the person's grandchildren live in Durham and would never attend Lyman.

Mr. Irish asked if there was an appreciable operating expense number for Lyman and a yearly increment that should be published. Mrs. Neubig stated that the savings would be between \$800,000 and \$1.1 million a year. There would be one-time expenses in the first year, but the capital savings would be \$4 million. Total avoided operating and capital expenses could be \$4.8 million. Right now, there are maybe 200 students at Lyman. Dr. Serino felt that there is also an academic/educational agenda here. She reviewed that a committee worked very hard and concluded that the district should have a one-track

design. Mr. Augur felt that there was a message out there that a failed referendum would keep Lyman open and its program going.

Ms. Opalacz really felt that there was confusion on the question. She felt that people felt it was all about giving the board control. Mrs. Lowry and Mr. Augur agreed and felt that that was a total misunderstanding of what control was actually being given. Mr. Stengel felt it was important to assure people that any time the board needs to spend money; they have to go to a referendum. Ms. Opalacz added that there was also a question about why the vote was even needed. Mr. Moore noted that the Town Times and the Middletown Press did not print the letters he wrote.

Several people felt that it would have made a difference if people felt that it wouldn't be giving additional power to the board. Ms. Opalacz stated that the Lyman supporters are a strong group, but there must be a whole other group that was confused. Mr. Moore stated that he received a lot of letters from people who are new to town and wanted their children to go to Lyman. Mr. Moore explained that much of the program design from Lyman will be included in the one-track program and Mrs. Lowry felt that that needed to be explained.

Mr. Stengel brought up the failed referendum about the solar panels at Brewster which was very similar to this one and was mostly an educational issue. Ms. Opalacz noted that, five years from now, a choice of programs will not be what brings people into town and a good school district that ranks well will. Mrs. Lowry stated that there has been a remarkable improvement in the quality of education between when her older children graduated to now. Math and science were unacceptable and her oldest daughter had to take a full year of math in college just to catch up.

Public Comment

Carl Stoup stated that if they have water in the storage building in November, they will need heat and this will be an ongoing process. Regarding the agreement, Mr. Stoup states that it recommends schools in Middlefield in the beginning but the end says that the Board of Education does not have to go by the recommendations. He felt that they are moving away from what the intent was. Mr. Stoup would also like to see a spreadsheet on the energy project vs. the items that are included in the bonding.

Adjournment

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

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

The meeting was adjourned at 8:45 PM.

Respectfully submitted,

Debi Waz

Debi Waz
Alwaz First