

The Regional School District 13 Board of Education Finance Committee met in special session on Wednesday, April 28, 2021 at 6:00 PM remotely.

Committee members present: Mr. Augur, Ms. Geraci, Mrs. Lowry, Mr. Moore, Mrs. Neubig and Mrs. Opalacz

Administration present: Dr. Schuch, Superintendent of Schools

Committee members absent: Mrs. Olszewski and Mr. Stone

Board members present: Dr. Taylor

Ms. Geraci called the meeting to order at 6:00 PM.

### **Pledge of Allegiance**

The Pledge of Allegiance was recited.

### **Public Comment**

None.

### **Approval of Agenda**

*Mr. Moore made a motion, seconded by Mrs. Neubig, to approve the agenda, as presented.*

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

### **Approval of Minutes - February 22, 2021**

*Mr. Moore made a motion, seconded by Mrs. Neubig, to approve the minutes of the February 22, 2021 meeting, as presented.*

*In favor of approving the minutes from the February 22, 2021 meeting, as presented: Mr. Augur, Ms. Geraci, Mrs. Lowry, Mr. Moore, Mrs. Neubig and Mrs. Opalacz. Motion passed.*

### **Capital/debt plan review of future needs**

Mrs. Neubig the plan of action is to address end of life systems as best as practical with the funding available and committing to funding the full 1% capital reserve amount each year. She added that the CT Appropriations committee is addressing the 2% capital reserve option for regional school districts that is now allowed for Local Boards of Education.

Mrs. Neubig added that bonding in the amount of \$6.9 million addresses urgent equipment needs and many of those projects are in process. The district is nearing completion on the energy project that is funded through energy savings.

In addition to the targeted items for bonding, there is still \$7.4 million of immediate need and \$11 million designated for future needs for a total of \$18 million. That \$18 million does not include the projects that

are in process right now, however it does include capital needs at Lyman School totaling \$4.2 million, with emergent capital needs at \$2.86 million.

Currently work at CRHS and central office include LED lighting, boilers with Pickett Lane paving and culvert in the next year. The culvert has been delayed to maximize the potential for a local bridge project grant that could fund up to 40% of the culvert replacement. Strong School has new boilers and LED lighting. The boilers and lighting are funded under the energy project. Memorial has an existing mechanicals project that is going out to bid. Mrs. Neubig will be applying to the State of Connecticut in May for a roof project that will be reimbursed at 53 percent. LED lighting is also being done at Memorial and Brewster. Brewster is scheduled to have boilers, exhaust fans, sprinkler system and air handling units that will be funded through the bonding.

Mrs. Neubig explained that the district does not have all the money in the capital reserve necessary to fund all of these projects, so additional bonding may be necessary at some point. There was a big decrease in debt service this year due to the delays in issuing the bonds. However, the debt service will increase next year and then start decreasing from there. The debt on the \$6.9 million will be fully retired at the end of 2041-2042.

If the district was to continue to level fund the debt service, there would be an opportunity to bond without increasing the budget.

Mr. Moore reminded everyone that they had talked about level-funding their debt service a couple of years ago which would provide the capacity to complete further projects. He stated that as the needs become more urgent, they will need to bond. Mr. Moore asked if Mrs. Neubig had an update on the paving and she explained that the bonding funds include funding for paving, but the amount will likely not be enough and will need to go in to contingency. Mr. Croteau has worked with the contractor about what areas will be paved. Mrs. Neubig added that the study indicated Pickett Lane was never intended to have the level of traffic that it has and there is no good solid base. Paving can be done without disrupting work on the culvert.

Mr. Augur asked about redesigning the traffic on Pickett Lane. Moore felt it was worth having a discussion about that. The redesign would lessen the appeal for people who are purely using Pickett Lane as a cut-through. Mrs. Neubig agreed to bring that up with Mr. Croteau and engineer working on the paving.

Ms. Geraci felt that part of the problem is that there is no light at the top of Maiden Lane and Main Street and it is so much safer to go via Pickett Lane and come out at the light by Strong School. Mr. Augur felt that it would have more impact if a regional school district requested the light. Mr. Moore added that it would be safer to cross at Maiden Lane than Route 68 as well and Mr. Augur added that the light could be tied into the sidewalk project.

### **Lyman impact on budget**

Mrs. Neubig noted that nothing the financial projections have changed since the last meeting in February. The first scenario would be to keep the school open as is and the other two include some sort of grade reconfiguration or construction at Brewster.

Mrs. Neubig relayed that the savings would be between \$1 and \$1.5 million a year depending on the scenario and that there would be one-time expenses in the first year. 10-year cash flow projections are being audited for accuracy and proper methodology. Mrs. Opalacz asked if a report will be issued on that and Mrs. Neubig stated that there will be a report and they are also willing to present to the board. Mrs. Neubig felt that having an independent third party look at the numbers will be a benefit. The auditors have begun their work and recognize that the district is on a quick turn-around for that. The fee for that audit is \$5,500. The yearly independent audit came in under budget this year by this amount and Mrs. Neubig issued a purchase order for an amount not to exceed \$5,500 for this audit.

Mrs. Opalacz is frustrated that the Lyman issue is lingering and the district continues to incur costs for no reason. She does, however, feel that it will be a big hurdle to get it approved and hoped that the auditors could be done sooner rather than later so that the report can be published and be used as a marketing tool.

Dr. Schuch added that the board has engaged the services of a strategic communications firm and they will share a lot of information with the public in a very thoughtful way. He felt that if the district is able to close the school and consolidate, the savings will go on forever, not just the 10 years that have been projected. He felt that having the numbers validated by an audit is important.

Mrs. Neubig has also computed the effect on the mill rate for both towns, based on the different scenarios. She has worked with both town Finance Directors as well.

Mr. Augur felt it was a great idea to hire an outside firm to assist with this and he supported the audit as well, but would not want it to come across as too slick. Mrs. Opalacz felt it would be worthwhile to have the auditors present their report at a Board of Education meeting. Mr. Moore stated that he or Dr. Schuch will be the spokesperson throughout all of the public parts.

### **Town capital needs**

Ms. Geraci explained that they hoped that the town representatives could update the committee on anything going on in Durham and Middlefield. Mr. Moore added that they are trying to coordinate the district's efforts with the towns' efforts and not have projects happening at the same time that would impact taxes.

Mr. Augur felt that the Korn School vote will fail again in Durham and that the \$1 million to demolish the building is a one-time spend and not a downpayment on a black hole. Mr. Augur added that he is not aware of any other significant capital projects in Durham. Mr. Augur reported that attendance at the town meeting last night seemed to lean toward acquiring Korn School, however he did not feel that was particularly meaningful. Mr. Moore agreed that the people in attendance last night were clearly in favor of the town taking the building. Mr. Moore felt that Mr. Eames broke down the project and his comments were constructive, stating that the full project could be around \$3 to \$4 million, not \$7 million. Mr. Augur did some polling in December as the Republican Town Committee chair asking what the maximum was that the voters would be willing to pay and 69 percent revealed that they had voted against it before and their number was \$1.2 million all-in.

Mrs. Opalacz felt that was disheartening when you think about how much is spent every year. Mr. Augur agreed and stated that he went back to look at the minutes of those meetings and there were eight Feasibility committee meetings that did not have minutes or get recorded. There was \$250,000 for paving

and \$750,000 for a sophisticated boiler system with a 21 percent uplift factor, both of which were totally unnecessary. Mr. Augur felt that the town could have put the project out in 2018 for \$5 million.

Ms. Geraci felt that if the referendum fails, they can really solve the speeding and parking issues in the complex. Mr. Augur suggested a fund raiser and both he and Mrs. Lowry volunteered to help with the demolition. Mrs. Lowry did feel it was a shame to see the building go. Ms. Geraci commented that both Cheshire and Wallingford have amazing park and rec programs and Mrs. Opalacz added that Middletown does as well. Ms. Geraci would love to see Korn School become what everybody hopes it could go, but would be happy with a final decision either way. Mrs. Opalacz added that she felt that was seen in the value of real estate in town which is not as rigorous as the rest of Connecticut.

**Possibility for joint town and district work or financing on paving, athletic fields, etc.**

Ms. Geraci reported that joint work was done last year at Memorial on the pickleball and tennis courts. Mr. Augur stated he had asked Laura Francis to reach out to the district about \$30,000 in equipment for Zoom meetings. The town installed equipment in the second and third floor meeting rooms and it would be a much better idea to install that at Coginchaug or another school to allow for more capacity. Mrs. Opalacz agreed and had mentioned that as well.

Mr. Moore thought that the sidewalk project may be coming down to the Allyn Brook Park area and wondered how they could extend that further. He thought there may be IT projects, solar projects and other things happening around town that could be joint projects.

Ms. Geraci wondered if they could work to modernize the playground equipment at Allyn Brook Park and noted that they go to Peckham Park which she feels is far better for the kids.

**Public Comment**

None.

**Adjournment**

*Mr. Augur made a motion, seconded by Mrs. Opalacz, to adjourn the meeting.*

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

The meeting was adjourned at 6:40 PM.

Respectfully submitted,

Debi Waz

Debi Waz  
Alwaz First