

The Regional School District 13 Board of Education Finance Committee met in special session on Wednesday, March 2, 2022 at 6:00 PM in the library at CRHS.

Committee members present: Mr. Augur, Mrs. Lowry (by phone), Mrs. Neubig, Mrs. Petrella and Mr. Stone

Administration present: Dr. Schuch, Superintendent of Schools

Committee members absent: Mrs. Olszewski and Ms. Opalacz

Board members present: Mrs. Dahlheimer and Mr. Moore

Mr. Stone 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. Augur made a motion, seconded by Mr. Stone, to approve the agenda, as presented.

In favor of approving the agenda: Mr. Augur, Mrs. Lowry, Mrs. Neubig, Mrs. Petrella and Mr. Stone. Motion passed unanimously.

Approval of Minutes - April 28, 2021

No amendments or corrections to the minutes of April 28, 2021. According to Robert's Rules, the minutes are deemed approved, if not amended or corrected.

Discuss future meeting dates

Mr. Stone would like to have regularly-scheduled meetings and will send out a survey on meeting dates.

Discuss Purchasing policy

Mr. Augur reviewed that the Board of Education changed the Purchasing policy in 2016 and he had been the only vote against doing that. It is not uncommon in other districts for there to be a requirement threshold for multiple quotes and another higher thresholds for multiple bids. He thought that the district's purchasing policy should be aligned with the two constituent towns' policies. Mr. Augur explained that, in Durham, three quotes are required for anything above \$5,000 and it is a more formal process above \$25,000. He recommended that the Finance committee recommend aligning with the towns to the full board.

Mr. Stone had tried to find Middlefield's policy, but was unable to. He reported that Madison is at \$10,000 and \$25,000. Hartford follows the city with nothing required up to \$10,000 and three quotes required over \$10,000 and over \$25,000 requires a formal RFQ. Region 6 requires three quotes above

\$5,000, Region 7 requires three quotes between \$2,000 and \$7,500 with a bid process above \$35,000. Other regions are similar.

Mrs. Lowry felt that it makes sense to have a bid process and that reduces any likelihood of nepotism. Everyone was on board with this suggestion and they will bring it to the full board. Mrs. Petrella asked if the other districts were the same size as District 13 and Mr. Augur felt that the emphasis should be put on the two towns that are constituent members of the district. Mrs. Petrella added that this should go to the Policy committee and asked Mrs. Neubig for her thoughts.

Mrs. Neubig stated that any time you go out to bid, it does take time. It could add as much as six to eight weeks. She felt that \$5,000 is a low amount, considering the size of the district and the number of projects that are coming up. She did feel that \$25,000 allows the ability to work with vendors that the district knows well instead of having to take a lower bidder though they always check references. There are also clauses that the district can use vendors off of the state bid list or through consortium purchasing as well as sole source, engineering, architectural, etc. that do not require bids. There is also a bid waiver that can be brought to the board, if needed.

Mr. Stone reviewed that the request for three quotes is not a change to the formal bid process and bids would still be required over \$25,000. Mrs. Neubig thanked him for that clarification. Mr. Augur did not recommend changes to any of the carve-outs.

Review budget

Mrs. Neubig stated the proposed increase is 4.56 percent. Much of that increase is due to capital needs, with 1.9 percent of the 4.56 percent increase for capital needs now that they can save 2 percent of the total budget. Salaries and benefits make up 1.57 percent of the increase, with a vacancy factor of 97.5 percent. There may be staff retirements that may be filled with lower wages and there are also position that will go unfilled for a while. Mrs. Neubig stated this year's vacancy factor is at 96.5 percent and salaries are running very close to that. There are contractual increases with the bargaining units, with teachers at 2.3 and administrators at 2.5, with unit members increasing step movement. The district is looking at a 22 percent increase from ConnectiCare with a 131 percent loss ratio. Bids have been sought from other carriers, but none would bid. Options are built into the budget, including going with the State Partnership Plan which would offer a \$500,000 to \$700,000 savings or a consortium of district towns which they have applied to. Rates will not be available until April. The State Partnership expects an 8 percent increase this year while the consortium received a 10 percent decrease. The proposed budget does incorporate a switch to one of those plans.

Mr. Augur asked if either plan would lock the district in and Mrs. Neubig explained that both of them require three years.

Debt, capital and equipment includes the current debt service and 2 percent for capital. Any other equipment, including the field storage building, is included in that line item. Mrs. Neubig feels it is very important to fund the capital reserve at 2 percent because the district does need to be more aggressive addressing infrastructure issues. Other operating expenses make up 1.08 percent of the increase and include the transportation contract which went up 3 percent, all of the district's leases, supplies, insurance and other.

Mrs. Neubig also reported that there has been a decrease in revenue of .4 percent. Buildings and grounds revenue is down as is interest income. The district will have seven students going to MTA next year which does decrease the opportunity to collect outside revenue. Mrs. Neubig also reviewed that the budget was balanced for 21-22 by using \$250,000 from MTA and there is only \$60,000 in this proposed budget. She did state that they are actively seeking new students and staff could be added should enrollment rise to meet the need.

Purchased Services includes training for teachers on new block scheduling. The phone system is 30-plus years old and the district will go with VOIP phones which would include all new phones and headsets. There will be some expenditures for wiring, which is included in the budget at \$20,000. The district has put in for a security grant for the new phone system, but have not yet heard back on that. There are proposed repairs to the playground at Brewster at \$12,000. The science fume hoods at Cuginchaug need replacement and/or repair. The automation system panel at Brewster needs to be replaced and new water service is being budgeted for \$9,000. The transportation contract with Dattco went up 3 percent. Property insurance went up \$15,000.

There was a decrease in outplaced tuition of \$17,000. That is due to bringing students back here to the Cog Academy and some students have moved out of the district. Mrs. Neubig stated this is a fluid number. Supplies increased by \$88,000, including a request for a new skeleton for the A/P class. HVAC filters have been upgraded and are being changed more frequently. Fuel prices were locked in at \$1.99 last year and have now been budgeted at \$3.00, but have not been locked in. Natural gas is a new item. Textbooks are being purchased for Honors Geometry (\$12,000) which is offset by a decrease in curriculum books. The Cuginchaug library is getting Junior Library Guild (\$3,900).

There was an increase of \$600,000 in equipment, with \$10,000 for replacement/installation of basketball hoops at Brewster, a new laminator at Brewster (\$2,000) and microphones (\$5,000) to allow Brewster to have assemblies. The district has been renting the spotlight at Cuginchaug for years and they propose to purchase one for \$3,600. Tech Ed is starting a new replacement for equipment at \$4,000 for a new planer this year. The field house is included in the proposed budget for \$180,000. The company that had originally quoted no longer does business in Connecticut, but they have reached out to three other companies. The additional 1 percent in capital reserve amounted to \$370,000.

There has been an increase of \$4,000 in dues, memberships and fees which includes the robotics competition previously paid by a grant. Debt service is based on the regular schedule, with anticipated payments on the \$6.9 million borrowing. Debt service will increase next year as more bonds are released. They are currently working on Memorial mechanicals and will release more bonds soon to pay for that.

Mrs. Neubig reviewed that they did use \$400,000 surplus from the 2020-2021 school year to budget 2021-2022, however at this point she feels it is too early to estimate but feels there may not be enough to use that strategy again and it is not in this proposed budget.

Mr. Augur asked if Mrs. Neubig could provide the exhibit from three years ago about the capital plan and the current one as well. She agreed to do that. Mr. Augur added that, when he was on the board, the district was in the 77th percentile in per pupil spending in the State. The last available information shows the district has moved up to the 88th percentile. It is disappointing to see that movement and he felt that when there is declining enrollment, the district needs to work towards ways to save money to offset that decline. A huge part of the budget is personnel and Mr. Augur felt that they needed to start to think about

ways to do more with less and have fewer personnel. Otherwise, it will just continue to go up and the district will be the most expensive per pupil. Madison advertises for people to sign up and come to their schools and Mr. Augur felt some people would consider doing that. He does not feel that Coginchaug would be able to attract outside people to come here. He suggested that the board and administration look very carefully at expenditures because it cannot continue.

Mrs. Lowry agreed and noted the decline in the enrollment, yet employees continue to be the highest portion of the budget. She asked what the district is doing to adjust for that decline and what the class sizes are in comparison to neighboring or similar districts. She felt that the district needs to look to be more fiscally responsible and certainly understands that there are items that the district wants to get done as well as those that need to get done. Mrs. Lowry was not sure that a field house should be one of those items but does support robotics 100 percent.

Dr. Schuch agreed wholeheartedly that declining enrollment should equate to declining staff and they have looked at those numbers. The plan that has been proposed looks at a two-year window with personnel reductions starting in the next budget cycle. At the elementary level, Dr. Schuch believes that there are certainly places where staffing could be reduced due to having a pretty good prospect of closing John Lyman School. At the secondary level, there is a brand-new administration at the high school and middle school and it was difficult for them to recommend reductions at this point. Dr. Schuch also felt that this is not the right timing to do a staff reduction while coming right out of COVID, but they can go in that direction if the board feels it is necessary. Dr. Schuch agreed that the district cannot continue with declining enrollment without making proportional staff reductions. He does believe that things can be done with class sizes and programming.

Dr. Schuch also agreed that they can do a better job of reinvigorating and redefining what education is here in the district, making the whole district more attractive. There is a lot of energy around that work. He does believe that if Lyman closes, they will get there but if it doesn't close, the district will continue to operate inefficiently.

Mr. Augur asked if might make more sense for the board to consider delaying the field house one year so that it is offset by the likely reduction in staffing at the elementary level. Mrs. Dahlheimer explained that there is infrastructure in the concrete that is degrading and Mr. Augur noted that he has heard that since he was on the board three years ago. He would be hard-pressed to believe that there is any difference in those components from three years ago.

Mr. Augur asked what the process was around renting the auditorium out to other entities. Mrs. Neubig explained that there is a fee structure, depending on if they are a nonprofit or in-district programs. Usage has fallen off considerably with COVID and they are hoping that it will come back up. Prior to that, it was about \$30,000 a year in income. Mr. Augur asked if there was anything they could do to publicize that a little more. Mrs. Lowry felt that that might happen if they had the additional equipment.

Dr. Schuch felt that that was a philosophical position and typically things are available to private and outside groups, but the goal is to make sure community groups and the schools have priority. Mrs. Lowry wasn't suggesting a marketing campaign, but felt that there were options. Mrs. Dahlheimer also felt that the community could also host events at the field, if there were bathrooms and other facilities. Mrs. Lowry felt that, with the cost of construction materials continuing to increase, \$150,000 or \$180,000 may

not be the real cost. She did agree that the district cannot have basic equipment that doesn't work correctly.

Mr. Augur reiterated that he would like to dig deeper into the capital items. He also asked about whether the safety issues, like vestibules, have happened. Mrs. Neubig explained that the board reallocated the vestibule money to other security projects because the prices went up exponentially.

Mrs. Petrella stated that she received an email from Michael Skelps, from Middlefield's Board of Finance, asking about a joint meeting. Mr. Moore explained that back in 2018-2019, the Boards of Selectmen and Boards of Finance attending a Finance committee meeting. Mrs. Petrella suggested that they have that meeting again this year.

Mr. Moore also commented that elementary enrollment is relatively constant over the next five or six years, so the real reduction is 10 to 20 percent at the high school because of all of the options available. Hopefully, Dr. Schuch's plan to reimagine education will attract and keep more students here. Mrs. Petrella explained that she had a discussion with Mr. Warner who is looking into setting up some kind of liaison with Vinal so that students can remain here and go there for the career classes. She believes that the district lost approximately 40 students to Vinal this year.

Dr. Schuch reviewed that matriculation is down to about 76 percent from about 96 percent 20 years prior. He is not blaming the high school, but believes the world has changed and there are many options. Mr. Moore added that the district does not pay tuition at Vinal, but they do at magnet and Vo-ag schools.

Dr. Schuch added that they did hold a fair not too long ago and pitched that there are EMT and bike repair classes as well as the music programs here in the district. He did feel that that needs to be marketed to the children at much younger ages. Mrs. Lowry felt that Coginchaug is considerably better now than when her older two children went through. Her younger daughter chose to stay in the district for the music program and oceanography as well as the fact that there were considerably more AP classes available. Mrs. Lowry felt it would be a great idea to blend the two schools and need to stay on top of what is appealing to the youth today.

Mr. Augur suggested any programs that let the younger children have a window at Coginchaug would be great. Mrs. Petrella noted that that has already been happening. Dr. Schuch stated that the reimagining work is really a pre-K to 12 effort. He also explained that his daughters played in the marching band while they were in eighth grade which made them feel a part of the high school. Mrs. Lowry felt that the robotics program could be a feeder program.

Mrs. Lowry knew that there were language honor societies as well as National Honor Society, but felt that there were so many others that Coginchaug doesn't participate in. She asked if that was something they would consider doing in the future and Dr. Schuch felt that they would probably be open to that, but you would need a good number of learners and a faculty member willing to step up.

Mrs. Petrella asked what percentage of the budget is for the field house and Mrs. Neubig explained that it is .46 percent. Mrs. Petrella felt that there are items in the budget that are much larger that could be looked at instead of the field house. She felt that the field house has been hanging out there for so long and while another year might not make a big difference, she did feel that the field house is really just a drop in the bucket in terms of impact to the budget.

As a taxpayer, Mr. Augur chafes when somebody talks about a drop in the bucket because the budget is so massive. That line item is still \$180,000 that the taxpayers will have to fund. He did agree that they should look at all line items, but didn't think that was appropriate phraseology.

They reviewed that the prior amount that went to referendum for the field house was \$800,000 but that is no longer being talked about. Mrs. Lowry asked if the thought was to do the field house in stages and Mrs. Dahlheimer explained that this would be just to build a shell with the possibility of bathrooms. The board will look at outside funding to complete the inside of the building. Mr. Augur felt that Mrs. Lowry was asking what the end game was on this and she explained that she would not be opposed to doing a little each year. Mrs. Petrella wasn't sure that that was the end game. She felt that they wanted to get a shell up and the slab covered. Any further improvements would then be put out to community organizations over time.

Mr. Stone added that it has been drastically reduced in scope, with just a small handful of fixtures in the bathrooms.

Public Comment

Nick Faiella, from Middlefield, provided a lot of detail in an email that he had previously sent to Mrs. Petrella and Dr. Schuch, but he felt that he continues to hear a lack of interest in athletics. Mr. Faiella felt that a number of students are leaving the high school after Strong because of athletics. He noted that the district keeps kicking the can down the road. He brought this field house project to a board committee in 2015 and, at that time, the project was \$60,000. It has now grown to \$150,000 to \$180,000 because things don't get cheaper. Now would be the cheapest time to solve the problem with inflation running at 7.5 percent. He noted that the paving work will also cost more next year and the district is just deferring money, not saving it.

Adjournment

Mr. Augur made a motion, seconded by Mr. Stone, to adjourn the meeting.

*In favor of adjourning the meeting: Mr. Augur, Mrs. Lowry, Mrs. Neubig, Mrs. Petrella and Mr. Stone.
Motion passed unanimously.*

The meeting was adjourned at 7:03 PM.

Respectfully submitted,

Debi Waz

Debi Waz
Alwaz First