

The Regional School District 13 Board of Education Finance Committee met in regular session on Wednesday, March 8, 2023 at 5:00 PM in the library at CRHS.

Committee members present: Mr. Armstrong, Ms. Benson, Mr. Faiella, Mr. Martinelli, Ms. Opalacz and Mr. Stone

Administration present: Mrs. Neubig, Director of Finance, and Dr. Schuch, Superintendent of Schools

Committee members absent: Mr. Neidhardt and Mr. Skelps

Board members present: Ms. Betty, Mrs. Dahlheimer, Mr. Moore (arrived late) and Mrs. Petrella

Mr. Stone called the meeting to order at 5:08 PM.

### **Pledge of Allegiance**

The Pledge of Allegiance was recited.

### **Public Comment**

None.

### **Approval of Agenda**

*Mr. Faiella made a motion, seconded by Mr. Armstrong, approve the agenda, as presented.*

*In favor of approving the agenda, as presented: Mr. Armstrong, Ms. Benson, Mr. Faiella, Mr. Martinelli, Ms. Opalacz and Mr. Stone. Motion carried.*

### **Approval of Minutes - January 11, 2023**

*Mr. Faiella made a motion, seconded by Mr. Armstrong, approve the minutes of the January 11, 2023 meeting, as presented.*

*In favor of approving the minutes of the January 11, 2023 meeting, as presented: Mr. Armstrong, Ms. Benson, Mr. Faiella, Mr. Martinelli, Ms. Opalacz and Mr. Stone. Motion carried.*

### **2023-2024 Budget Discussion**

Mrs. Neubig shared that there has been a reduction in the health insurance budget number down to 7.1 and they have also cautiously reduced the electricity amount. Those changes brought the proposed gross budget increase of 4.59 percent down to 4.21 percent and the proposed net budget increase from 5.35 percent to 4.96 percent.

Mr. Faiella had asked a question about electricity at Memorial and they are looking at that. The district's electricity supplier ceased operations in April, so the proposed budget was based on going with Eversource. They have since found a different supplier who is offering almost the same rates as the past supplier. They have also been in talks with the two towns about solar. The proposed budget hasn't changed other than those two items.

Mr. Faiella asked if the solar project at Memorial is functioning as well as they had hoped and Mr. Proia

reported to Mrs. Neubig that it was. Memorial's electricity costs are less than Brewster, which is a smaller school. They are producing anywhere from 3,000 to 7,000 kWh per month at Memorial which is between 30 and 75 percent of the overall use.

Ms. Benson asked about the state rep's proposal for state bonding the field house. Mrs. Neubig stated that it wasn't specifically for the field house as that has been purchased, but more to finish off the stadium project. This would include lighting and bathrooms. Dr. Schuch explained that it is part of the state's bigger bonding package.

Mrs. Neubig went on to review that the proposed budget does not include any new proposals. The biggest areas of increase are benefits (3.14 percent) and purchased services (.72 percent). She also mentioned that they had applied for a \$2 million grant for the HVAC service at Memorial and has heard that all approved projects are now with the Commissioner. If approved, that money could then be allocated to another project that had been included in the original bonding or repayment of the debt service.

Mrs. Neubig explained that the district had received \$449,000 in ARPA funds which were used for picnic tables, tent rentals and a chiller at CHRS. There is about \$100,000 remaining. The district also received about \$200,000 in ESSER-II funds which were used for learning loss programs.

Dr. Schuch explained that they have used ARPA funds only for nonrecurring items and Mrs. Neubig added that other districts are having budget problems this year because they added staff with those funds.

Mrs. Neubig added that the district has had an energy audit and has installed updated, more efficient equipment. They also have timers and dimmers on lights and have lowered set points for the heat in the buildings. Mrs. Neubig also mentioned that they had to purchase new shot clocks for basketball which are required by the CIAC. They are also budgeting the Cuginchaug Student Carnival again for next year. The audit fee has been increased due to new GASB regulations. There also appears to be an increase in professional development, but it is offset by a redirection of in-service funds.

Mrs. Neubig then moved to Facilities and Grounds, explaining that they went out to bid for lawn care and it did go up by \$12,000. An asbestos consultant is required every three years. There were also a couple of decreases to help offset those items. There was an unfunded mandate for feminine hygiene products in dispensers in all schools, grades 4 and up.

Operating Services has the largest increase in the budget (22 percent). That is mostly due to students who require specialized services that the district cannot provide. The current year budget (22/23) includes five students and there are now eight. This item also includes transportation for those students. There is the Excess Cost Grant available but that is for anything that costs the district four-and-a-half times above the per pupil expenditure.

A question was asked as to what percentage of the population in the district requires special education, but Mrs. Neubig did not know that number. She will get that information and forward it to the committee. Dr. Schuch explained that the cost per child is not equal either. He noted that Mrs. Keane does a good job of structuring the services to serve multiple children. Mrs. Neubig did feel that this was the highest number that the district has had, but it is a fluid number. The district could potentially have a

student outplaced until the age of 22. The district is budgeting for 12 CRHS students at MTA next year that they would be outplaced tuition if not for the program.

Mr. Moore stated that MTA has been very attractive as it is held at Wesleyan and the kids have somewhat of a college experience. It has made money for most of its years, but it's still a \$50,000 tuition plus transportation. Kids from as far away as Torrington and Colchester have attended. Mrs. Dahlheimer commented that they may see less enrollment from out of district as they try to cut expenses. Dr. Schuch agreed that other districts may be looking to start their own programs. It was agreed that ages 18-22 are usually positive for the district, but outplacements in K-12 are not.

Mrs. Neubig explained that property and liability insurance went up again. Supplies have increased in the feminine hygiene products as well as gas and fuel. The consortium locked in at \$3.02 and heating oil \$3.10.

Mrs. Neubig explained that the district has an ongoing athletic uniform replacement cycle, with the total being \$8,500. Capital was proposed to be funded at the full 2 percent that is allowed by statute. A new dishwasher at Coginchaug, the shot clocks and outdoor track high jump and vault covers, new defibrillators and keyboards are included. Dues and fees increased a bit because of robotics competition and athlete competition fees. Debt service has increased by \$73,000 because of the final issuance of the \$6.9 million bonding in May, 2022. Mrs. Neubig added that level funding of debt service allows the district to borrow funds without increasing that line item. The \$6.9 million bonding was in 2019. Bonding generally costs about \$45,000 to \$50,000 and any bonding needs to go through the referendum process.

Mrs. Neubig had asked the district's financial advisor how much they could bond without increasing the debt service and was told that it was about \$5 million.

Mrs. Neubig added that the net budget is higher than the gross budget increase because they have traditionally been able to transfer money from MTA into the general fund, but that is not available this year because of the revenue.

Dr. Schuch explained that there is still another budget work session and then a meeting on April 5<sup>th</sup> when the budget is presented for the public hearing. Ms. Opalacz asked what the hot topics are now on the budget and Mr. Faiella felt that people are still focused on the FTEs and why those are not decreasing with declining enrollment. Dr. Schuch explained that they are talking about it and, at some point, the decision will need to be whether they are aiming for a certain percentage increase. The board has asked what other districts are doing and the leadership team feels they are right in the middle, if not at the low end, because of inflationary pressures.

Mrs. Dahlheimer felt it was good for the district to look at similar districts, but also look at places where they can cut, such as small class sizes. The board has been asking a lot of those questions and acknowledges that it would be great to consolidate schools and staff. Ms. Opalacz continues to hear that the per pupil cost is definitely too high as well as admin costs. She finds it hard to justify those administrative costs.

Mrs. Neubig explained that the per pupil cost was \$25,622 for 2021-2022. The average for regional school districts was \$24,045. Closing a school would get the district down to the average. The state

average per pupil cost is \$21,400 and the DRG is \$21,900. As a regional school district, there are a lot more expenses than a local board of education because they have more resources such as a public works department.

Mrs. Neubig summarized that salaries and benefits are the largest increase in the budget.

Mr. Martinelli noted that the town is trying very hard to stay on budget and they are concerned that the district will do the same. Mrs. Neubig noted that this budget has no luxuries included in it and they have looked at everything to be fiscally responsible.

Mrs. Petrella explained that the board may question things in the budget, but it comes down to the percentage they feel comfortable with and then the administrative team makes the decision as to where cuts are made. Ms. Opalacz wondered where cuts would be made if the budget was to fail at referendum.

Mrs. Petrella asked if the Finance Committee wanted to meet after the referendum this year or wait until next year. Ms. Opalacz felt that they should continue to meet if they were heading down the path to close buildings. Mrs. Petrella added that Mr. Faiella is a member of the Building Committee. It was generally agreed that the Finance Committee should maintain a dialog.

Mrs. Petrella also invited committee members to attend work session and board meetings.

### **Public Comment**

None.

### **Adjournment**

*Mr. Faiella made a motion, seconded by Mr. Armstrong, to adjourn the meeting.*

*In favor of adjourning the meeting: Mr. Armstrong, Ms. Benson, Mr. Faiella, Mr. Martinelli, Ms. Opalacz and Mr. Stone. Motion carried unanimously.*

The meeting was adjourned at 6:01 PM.

Respectfully submitted,

Debi Waz

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Alwaz First