

The Regional School District 13 Board of Education Finance Committee met in special session on Wednesday, December 6, 2023 at 5:00 PM via Zoom.

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

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

Committee members absent: Mr. Skelps

Board members present: Mrs. Dahlheimer, Mr. Moore and Mrs. Petrella

Mrs. Dahlheimer called the meeting to order at 5:00 PM.

Pledge of Allegiance

The Pledge of Allegiance was recited.

Public Comment

None.

Approval of Agenda

Mr. Stone made a motion, seconded by Mr. Martinelli, 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 - March 8, 2023

Mr. Faiella made a motion, seconded by Mr. Stone, to approve the minutes of the March 8, 2023 meeting, as presented.

In favor of approving the minutes of the March 8, 2023 meeting, as presented: Mr. Armstrong, Ms. Benson, Mr. Faiella, Mr. Martinelli, Ms. Opalacz and Mr. Stone. Motion carried.

Introductions

The committee members all introduced themselves.

Appointment of Chair

Mrs. Dahlheimer appointed Mr. Stone as the chair of the Finance Committee and he accepted the appointment.

Durham and Middlefield Boards of Finance updates

Mr. Martinelli, chair of Durham's Board of Finance, explained that Durham does not have a Finance Director at the moment. He explained that they just sent out their budget requests last week which are due back by January 15th. They are waiting to see what comes in for operating expenses and capital reserves. Budget

hearings will be held twice in January, February and March and one in April, if necessary. Durham Youth and Family Services will be first and are scheduled for January 18th. All of their meetings will be held at the Durham Community Center, room 1, in 2024.

Mrs. Dahlheimer suggested finding out how Middlefield will be holding their budget meetings and getting that information out to the Finance Committee members.

Review of 2023-2024 School Budget

Mr. Stone felt that everyone on the committee should have already been able to review the budget and asked if anyone had any questions for Mrs. Neubig. Mrs. Neubig reviewed that the district is 36 percent expended and have encumbered 95 percent of the money. To date, 38 percent of revenue has been received. Salaries have run over budget every year for the last few years because they have budgeted at a vacancy factor. Mrs. Neubig would not want to be as aggressive with the vacancy factor in next year's budget at 96.5 and felt they may want to go to 97.5 or 98.

Mr. Moore noted that the field house and road paving have been covered by the budget and there have also been significant savings in capital projects. They had been looking at new pumps for the fire system which are now not needed. Mr. Martinelli asked who paid for the speed bumps and Mr. Moore explained that the district did as part of the paving contract.

Mrs. Dahlheimer asked for the committee to have information on electricity, gas and oil costs. Mrs. Neubig explained that the district belongs to a consortium, but they haven't started meeting yet. The prices are running about \$2.82 to \$2.89 which is lower than what was budgeted last year. They are also going to propane buses which will change the diesel line a bit. The electricity account could realize a small surplus. Mr. Moore added that the solar farm construction on Johnson Lane is about to start and both the Town of Durham and the school district may acquire power from there.

Mrs. Dahlheimer added that she'd like to keep the Finance Committee in the loop with the Memorial project and the K-5 design. Mr. Stone added that they will send invites to the committee members. The architect will be coming to the December 13th meeting at 4:30 with some more information and answers to questions.

Requests for Information

Mr. Armstrong asked Mrs. Neubig to confirm that there are really no issues with the current budget and Mrs. Neubig confirmed that. Mr. Armstrong asked if the building project will impact the upcoming budget or if that was further down the road. Mrs. Neubig stated that would be a little further out, depending on which design is chosen. The application to the state takes a whole year before starting construction. She would suggest that the district level-fund the debt service in 2024-2025 so that they would have the ability to issue bond anticipation notes, if necessary.

Mr. Faiella asked if the district was ahead of schedule on interest income and if the accounts are yielding market value. Mrs. Neubig stated that the General Fund earns a typical amount of interest, but the Capital Reserve account is earning a higher rate of interest. Due to arbitrage laws, the district is not allowed to earn more interest on bond funds than they are paying. The attorney has to sign off yearly that that is not happening. Mrs. Neubig added that interest stays in the Capital Reserve account to use for contingency or to pay the bonds back.

Set meeting dates

Mr. Stone would like to set a meeting for January and look at further dates at that point.

Ms. Opalacz asked what the budget cycle was and Mrs. Neubig explained that budgets go out to the departments in October and were due back today. They are zero-based budgets and proposals can be submitted as well. A spreadsheet will be compiled and all of the proposals are reviewed with the administrative staff. There are still some moving components, such as health insurance and the consortium. The budget will be presented in February, but there could be changes in health insurance in March. Mrs. Neubig would like to continue the commitment to saving 2 percent in the capital. She hoped to have preliminary numbers by the end of next week.

Mr. Martinelli asked if Mrs. Neubig would be able to present anything to the committee at the January meeting and she explained that the superintendent presents his budget in February, so it may not be appropriate for the committee to have that before he looks at it and presents it. Dr. Schuch agreed and added that it wouldn't be complete in January. After it is presented in February, he felt it would be appropriate for the committee to dissect it and ask any questions.

Ms. Opalacz asked about the timing for the building project and Mrs. Dahlheimer reiterated that that would not affect the upcoming budget. Ms. Opalacz understood, but felt it was probably one of the biggest things going on right now. Mrs. Dahlheimer suggested they add an agenda item to report on the building project. She agreed that that would be a good topic for the January meeting and hoped to get a report from Middlefield at that time as well.

Mr. Stone suggested January 10th for their next meeting and discussion continued about a possible January meeting date and it was agreed to meet on Tuesday, January 16th at 5:00 PM remotely.

Public Comment

None.

Adjournment

Mrs. Dahlheimer made a motion 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 5:38 PM.

Respectfully submitted,

Debi Waz

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