

Revised

The Regional School District 13 Board of Education held a special meeting work session on Wednesday, March 23, 2022 at 5:30 PM in the library at Coginchaug Regional High School.

Board members present: Ms. Betty, Mrs. Booth, Mrs. Caramanello (by phone), Mrs. Dahlheimer (arrived late), Mr. Mennone, Mr. Moore, Mrs. Petrella, Mr. Roraback and Mr. Stone

Board members absent: Ms. Adams

Administration present: Dr. Schuch, Superintendent of Schools, Mrs. Neubig, Director of Finance, Mrs. Keane, Director of Student Services and Special Education, Mr. Brough, Human Resources Specialist, and Mr. Pietrasko, Director of Infrastructure and Security Technology

Mrs. Petrella called the work session to order at 5:35 PM.

The Pledge of Allegiance was recited.

Approval of Agenda

Mrs. Booth made a motion, seconded by Mr. Mennone, to approve the agenda, as presented.

In favor of approving the agenda, as presented: Ms. Betty, Mrs. Booth, Mr. Mennone, Mr. Moore, Mrs. Petrella, Mr. Roraback and Mr. Stone. Motion carried.

Budget discussion

Mrs. Petrella explained that Michael Skelps, chairman of the Middlefield Board of Finance, and Jim Martinelli, chairman of the Durham Board of Finance, would be participating tonight as well.

Mr. Skelps explained that the Board of Finance has looked at the proposed school budget as well as their proposed municipal budget. The entire membership of the Board of Finance have strong concerns about the proposed budget for RSD13. The proposed budget would add \$1.43 million to Middlefield's budget, an increase to the average homeowner of \$424. The Board of Finance views the 4.6 percent increase as unacceptable and they do not support the current budget proposal.

Mr. Skelps urged the Board of Education to take an aggressive, yet prudent, stance to trim the school budget before it goes to referendum. The Middlefield Board of Selectmen and Board of Finance have worked tirelessly to hold down expenses in the town, while providing essential services. They constantly seek better and more efficient ways to ensure public safety, public works services, community services and capital investments. They anticipate municipal spending to be within 0.02 percent of the current year. However, they do not sense the same commitment to fiscal responsibility in the proposed school budget.

Mr. Skelps went on to note that student enrollment has dropped nearly 20 percent in the last four years, yet the school budget has increased 5.14 percent, with the current increase being the highest in eight years. The cost per pupil has increased 27.4 percent during that same time. The Board of Finance feels that this is stark contrast to the municipal budget which has basically been held flat for eight years.

Mr. Skelps detailed that the lion's share of the town's budget is the Board of Education's budget and they recognize that the Board of Education owns the budget and understands it better than they do. With the proposed budget being the biggest increase in the past decade, he felt that any increase could be

questioned and did not feel that the largest increase in recent history is in the financial interest of the town. Staffing levels have remained effectively flat for four years while enrollment has declined. Mr. Skelps did not want to propose specific line-item reductions as they feel it is in the purview of the Board of Education. However, he did state that the Pickett Lane project is substantial and felt that a repair project in the \$300,000 range would be better than the \$1.7 million proposed. The Board of Finance also believes that management of staffing levels and payroll is essential to align those costs with declining enrollment.

The Board of Finance does expect the proposed budget to receive strong opposition and is likely to be defeated at referendum. They feel that it would be in everyone's best interest to have the budget approved on the first pass. They do recognize that Durham's increase is not as high as Middlefield's due to the allocation of students, but the large increase is painful. They have already proposed to use \$1 million from the town's unassigned fund to help buy down the mill rate a little bit. Mr. Skelps asked the Board of Education to try a little harder to get the costs down.

Mrs. Petrella explained that Mr. Martinelli is on his way to the meeting. She also explained that the district has already transitioned from two programs down to one, but there is really no savings available from that.

Mr. Moore added that part of the increase in the budget is because the district is now able to save more money for future capital. They had been limited to 1 percent and that has now been raised to 2 percent. Mr. Skelps was aware of that, but felt that the people will ultimately decide. He felt that he would be remiss if he did not raise these concerns and asked if there were things that could be tightened up. Mrs. Dahlheimer explained that they have five buildings that they have to take care of and asked if the Middlefield Board of Finance supported closing Lyman School because that would be where major cost savings could be found. She felt that she hasn't seen that support, but did not want to put Mr. Skelps on the spot.

Mr. Skelps explained that the John Lyman issue is very contentious in Middlefield and the Board of Finance had put out information prior to the referendum documenting the actual savings. He felt that John Lyman is a separate issue from the budget, but the Board of Finance publicly stated that there would be a cost savings associated with it. Mr. Skelps has personally stopped short of supporting the closure because of the other factors involved.

Mrs. Dahlheimer stated that it is hard to know what to do with staff when they don't yet know what they will be doing with buildings. They do not yet know what the new program will require for staffing.

Mr. Roraback reviewed that there had been quite a few years when the budget was contentious and went more than one vote. He asked if everyone agreed that it's best to get it right the first time. Mr. Skelps explained that it saves money to not have a second referendum and it saves headache, providing more certainty going forward. He does not necessarily feel that it would automatically be voted more than once.

Mrs. Booth asked if the Board of Finance is looking for a 0 percent increase and Mr. Skelps felt that that would probably not happen. Mrs. Booth added that Mrs. Neubig has worked very hard on the budget and she wants to be sure everyone knows that. She also felt that it may not have been a good thing to keep the budget flat in years past because that has set a precedence. The \$1 million savings a few years ago on

benefits is now back to kick them in the butt. At this point, the price of everything has increased and she reminded everyone that this is for the kids' education. Mrs. Booth noted that the Board of Education has been kicking the can with capital improvements for way too long and she will vote no on the budget if it does not include 2 percent saved for capital. She added that if the Board of Education had been financially responsible, they would not be in the position of John Lyman needing \$7 million of work. Mrs. Booth does not feel it is practical nor possible to have a 0 percent budget.

Mrs. Dahlheimer added that neighboring towns are having increases, ranging from 3 percent to 9 percent. Dr. Schuch confirmed that they are pretty much in line with neighboring districts, but it is kind of disproportionately hitting Middlefield due to the shift in the number of learners. Mr. Roraback added that he has always disliked the optics of the cost-per-student as it's not a valid measurement and is purely based on enrollment. He firmly believes that things can be cut without affecting the quality of education. He recognizes that students will always leave to go to private and trade schools, but the goal is to maintain as much educational integrity as possible. Mr. Roraback felt the Lyman issue is hurting that and is a very difficult situation.

Mr. Martinelli asked what the goal of tonight's workshop was and Mrs. Petrella explained that they will be going through the budget and making decisions about how it will be approved. They wanted to get feedback from both communities. Mr. Martinelli acknowledged that it is a bigger bite for Middlefield this year. He agreed that it is a large cost to pave Pickett Lane and stated that paving it will increase the speed on the road. It was generally felt that the Resident Trooper can handle that. Mr. Martinelli asked if it could possibly be delayed a year and Mr. Stone explained that that is not the entire paving project in this one budget year. Mrs. Neubig explained that it was proposed to save \$582,500 this year for the project, with the estimate totaling \$1.7 million. She explained that that was a quote to get a direction to start to save and that it would not necessarily be done that way.

Mr. Martinelli also mentioned the bathrooms at the field house and asked how many night football games are anticipated. Mrs. Booth explained that no bathrooms are included in the budget, just a building. Mrs. Dahlheimer explained that it was just a shell of the building being proposed, with the hopes that booster clubs will be able to fund some of the inside work. No permanent lights are included in this proposal.

Mr. Martinelli asked how many students are lost per year and how many more students need to be lost before the Board of Education considers reducing staffing. Mr. Moore explained that staffing is reduced almost every year, but none has been proposed in this particular budget. Staffing was reduced by three last year, with at least one or two every other year.

Mrs. Petrella asked Mrs. Neubig to review the items driving the increases in the budget. While the budget is up 4.56 percent, direct student spending is up 2 percent. She explained that there are increases in Buildings and Grounds, Supplies and Textbooks. A new VOIP phone system is included, property and automobile insurance has increased and HVAC filters need to be replaced more frequently. Mrs. Neubig added that they had the coronavirus relief fund last year which was used to offset supplies that is not available this year. Under equipment, basketball hoops need to be replaced and a new microphone system is being proposed for Brewster. They are also starting a replacement cycle of tech-ed equipment.

Mrs. Petrella mentioned that there had also been a major increase in health insurance and Mrs. Neubig explained that health insurance increased by 22 percent, however they are able to join the State Partnership Plan, which estimates an 8% increase in their premiums over 21-22. The district realizes a

savings removing the HSA contributions that go along with the HDHP plan. This budget does include the proposed switch to the state plan. Dr. Schuch added that it is important that everyone understand that the proposed capital savings is the entire amount that the state will allow. He noted that that is an easy target as it is a long-term budgeting strategy. Dr. Schuch and Mrs. Neubig do support saving the entire 2 percent, but are willing to change that if the board is not comfortable with that.

Mr. Martinelli noted that the state average for per pupil spending is \$20,700, regional schools are at \$23,500, DRCC average is \$21,300 and District 13 is at \$24,500. It is projected to be almost \$25,000 for 2021-2022 and \$26,000 in 2022-2023, with less pupils.

Mrs. Dahlheimer reiterated that she felt that the smart way to reduce the budget is to reduce the buildings. She felt that the budget can be lowered significantly if they reduce the buildings down to four that they can maintain well. Cost savings would be \$1.5 million a year. Mrs. Dahlheimer admitted that it is an emotional issue, but she has more emotion worrying about the district in the long-term if they can't fund five buildings. Mrs. Petrella added that that number could be even higher now because salaries and other expenses have gone up. She noted that two different boards have voted to close John Lyman School because of that, knowing full well that there is an emotional attachment. Mrs. Petrella stated that it is over \$5 million to keep John Lyman open, with a savings of \$1.5 million every year if it is closed. She reviewed that there are currently five buildings for 1,344 students and they really don't need all five buildings. She did acknowledge that that would not affect this year's proposed budget.

Mr. Martinelli asked about budgeting salaries at 97.5 percent and Mrs. Neubig explained that that includes teachers retiring or leaving and being replaced at a lower salary, but also includes other positions that may remain vacant. In the past, salaries were budgeted at 100 percent but the vacancy factor has been applied in the last 4 or 5 budgets.

Mrs. Petrella added that capital has been funded close to 1 percent in the past six years. Mr. Yamartino has always maintained that 1 percent is not enough and the district probably needs closer to 4 percent. He is in favor of the district saving the full 2 percent, but he would like to see all of the items prioritized.

Mr. Martinelli asked what Reimagining Education is and when it will be implemented and Dr. Schuch explained that there is a movement afoot to create an education system based on what the world of work is like for learners when they graduate. This budget does not reflect any of that work. He added that it is very difficult when they don't know how many buildings they will have.

Mr. Martinelli also mentioned that the health insurance with the state is a three-year commitment which Mrs. Petrella stated that they were aware of. Mrs. Booth added that the fund balance helped in the last few years and that it is not available this year. Mrs. Neubig stated that, due to COVID, the budget was not fully expended for various reasons including field trips and transportation being canceled. Mrs. Neubig added that the unions can review and issue an objection to the new health insurance and it could end up going to arbitration. Dr. Schuch felt that this is a plan that the unions have been wanting for years. There is a requirement for anyone covered to complete all routine visits, including dental, with a different deductible applied as well as a premium increase if that is not done. For some conditions, there will be no copays for office visits associated with those conditions. There will be formal meetings with the unions. Mrs. Neubig mentioned that they have had favorable rates with ConnectiCare prior to this year and the fear with going to the Connecticut Partnership Plan was all of the people with high loss ratios were

joining and the rates would go up. That is exactly what is happening with District 13 this year. In the past, the state plan has not had increases over 8 percent.

Mrs. Booth asked if employees are incentivized if they do not take the insurance and Mrs. Neubig noted that they do not. Dr. Schuch added that the HSA contributions are also being saved with this insurance while the employees do not lose what already exists in their accounts.

Mr. Martinelli also asked about the diminishing debt service and whether or not Lyman was factored into that. Mrs. Neubig explained that some debt retired, but there was the \$6.9 million bonding in 2019 that had not been issued. Debt service will increase because of that, but fall back down in 2025. Mr. Martinelli asked why, since 2015, the gross budget has increased 3.2 percent while per pupil expenses have increased 28 percent. Mrs. Neubig explained that that is due to declining enrollment. She added that it would take a significant cost cut to move that number down with the declining enrollment. Dr. Schuch added that that is especially true with inflation and contracts with the bargaining units having increases built in to just about every year. The way to really move that number would be through staff reductions and the easiest way to do that would be through consolidating schools.

Mrs. Petrella thanked Mr. Skelps and Mr. Martinelli for their comments.

Mrs. Petrella then reviewed that they have had relatively low or no increases over the past five years and there is no question that the budget will have to go up this year. They do need to look at how much it should go up and Mrs. Petrella personally felt that a 4.56 percent increase is a bit excessive. The board had decided to not make any changes in staffing this year because the issue of closing a school is still up in the air. Mrs. Petrella felt that the administration would do their best to deal with attrition or vacancies. Looking at capital, Mrs. Petrella has always agreed that capital needs to be maximized, however going from 1 percent to 2 percent is a big jump in one year. She felt that the board could look at not increasing capital the entire 1 percent.

Mrs. Dahlheimer felt that there are some different ways to reduce capital and would like to see where everyone stands on how much of a reduction they would like to see. Looking at other towns, Mrs. Dahlheimer would like to see the district around a 3.7 percent increase. Mrs. Booth reiterated that if they're not going to do Pickett Lane, they still need to save for something else. John Lyman is being kept open next year, no matter what and if something fails in that building, there is no savings for it. They know that parts are not available for a lot of the equipment in that building. Mrs. Petrella explained that capital has to be designated to a specific project. Mrs. Booth felt that capital is a need and not a want and the board has always made cuts in capital which is why they are in the position they are in with John Lyman School. Mrs. Dahlheimer proposed dropping capital to 1.3 percent which is still an increase over what was saved in the past, with the hope to save a full 2 percent next year.

Mr. Mennone asked if money can be moved from capital and Mrs. Neubig explained that the capital would need to be transferred by board vote and can be redirected if the project can't be done. She explained that they can put more money into the unanticipated maintenance account and less into Pickett Lane, with the board voting to move anything left into Pickett Lane at the end of the year. Dr. Schuch added that if they can fund capital well enough, the unanticipated maintenance line item will not be needed as much. Mrs. Neubig reminded everyone that this is just for unanticipated maintenance while regular maintenance is budgeted in other line items. She added that money put into unanticipated

maintenance cannot go back into the general fund, but can be transferred to other capital line items only by board action.

Mrs. Petrella summarized that moving money from one line item to another still keeps the budget at the same increase. She asked if everyone was comfortable with going to the public with a 4.56 percent increase. Mrs. Dahlheimer felt they should reduce Pickett Lane down to \$350,000 from \$582,500 and take some money from that \$350,000 to unanticipated maintenance. That would lower the capital investment to 1.3 percent. Mr. Stone suggested lowering Pickett Lane down to \$250,000 and adding \$100,000 to unanticipated maintenance which could be rolled over to Pickett Lane at the end of the year. Mrs. Neubig explained that that would be a reduction of \$132,500 which would leave a 4.2 percent increase. Mrs. Petrella encouraged everyone to look at perception. Mrs. Dahlheimer stated that her numbers had the increase under 4 percent.

Dr. Schuch asked if there was consensus about what the board would want the increase to be because then Mrs. Neubig could come back with how capital would be affected. Mr. Mennone felt that saving 2 percent would be great, but he would like to see the increase somewhere around 3.5 percent. He also asked about the transportation contracts and Mrs. Neubig explained that that was bid out a couple of years ago and they have a three-year contract with a two-year extension option. They are now into year three, but it was a 3 percent increase each year. She noted that there was only one bidder at that time. Mrs. Booth added that Dattco had been great during COVID and asked if there was anywhere else that they could cut. Mrs. Neubig stated that she went line by line with everyone involved and explained that it would take big things to move the number. She does not disagree with the optics of getting the increase below 4 percent, but felt that the only places that could produce any movement at all would be in salaries and capital.

Mr. Stone asked what the vacancy number had been in the past and Mrs. Neubig explained that it is 96.5 this year and was 95 percent the year before. This year, they are almost about breakeven at 96.5 percent. Each percentage point is roughly \$225,000. A combination of that and capital would move the increase percentage, however they will go over the salaries line item if there was no attrition and they will have to ask the towns for another appropriation. Mrs. Booth asked how many people plan to retire and Mr. Brough felt that it would be three or four. Mrs. Booth stated that at least one of the retirements will have to be filled, but wondered if all of them would.

Dr. Schuch was not a fan of not replacing retiring employees as it is hard to budget for that. His opinion would be that any reductions to the budget come out of capital because any surplus in salaries can be applied to any number of line items. He did agree that 100 percent is too conservative. He added that they will pay the salaries no matter what and will fix broken equipment no matter what. Mrs. Booth asked where the money would come from if they did not have enough to fix something that breaks and Mrs. Neubig explained that they would have to go out for an emergency bond referendum. Mrs. Booth then confirmed that they would not bond if they could not pay salaries, but would go back to the towns.

Mrs. Petrella asked if Mrs. Neubig would do some figuring with capital to see if she can get the increase percentage under 4. Mrs. Neubig explained that the gross budget would need to be reduced by \$205,000 to get down to 4 percent. Mrs. Dahlheimer proposed dropping the turf down to \$13,750 and do it over two years. Mrs. Neubig added that a reduction of \$210,000 would produce a 3.99 percent increase. The net budget would still be at 4.3 percent, but taxpayers vote on the gross budget.

Mrs. Petrella summarized that if Pickett Lane is dropped down to \$350,000 that is more than the \$210,000 and would leave \$22,500 to put into unanticipated maintenance. Mrs. Neubig reviewed that that would leave the brick work at Strong School at \$80,000, unanticipated maintenance at \$72,500, turf at \$27,500 and paving at \$350,000. Mrs. Petrella felt that they could drop the paving to \$300,000 or \$325,000 and put more into unanticipated maintenance.

Mrs. Neubig then reviewed with paving at \$325,000, turf at \$13,750, unanticipated maintenance at \$100,000 and brick work at \$80,000 that would be a 3.96 percent increase and a 1.35 percent capital savings. Mr. Mennone asked if grants were included in the budget. It was agreed to take a five-minute break at this point.

After returning from the break, Mrs. Neubig explained that the proposed changes would be a 1.35 percent rate for capital with a 3.96 percent increase in the gross budget. Mrs. Petrella reviewed that this includes funding the unanticipated maintenance line item more than in the past. Salaries were not touched. Mrs. Neubig reviewed that the turf will not need to be replaced this year, so cutting that amount is fine.

Mrs. Booth asked Mrs. Neubig how she felt about this and Mrs. Neubig explained that her job is to provide options to the board about district needs. She wouldn't be doing her job if she didn't suggest the 2 percent in capital, but is also cognizant of being responsible to taxpayers and feels these changes still achieve that. The only caveat is that if the paving needs to be done at the full amount, this would not be enough. Mrs. Petrella was also comfortable lowering the paving amount as there may be other ways to improve the road that might cost less. Mrs. Neubig added that the paving by Strong School will happen in June or July by the EPA due to the water line connection at no cost to the district. That will go from Main Street to the Allyn Brook culvert. The district was intending to do the Pickett Lane paving in the summer of 2023, so there is time to add more to that line item if needed.

Mrs. Booth noted that people seem to be fixated on Pickett Lane. Mrs. Neubig explained that they also have people calling and complaining about damage done to their cars on Pickett Lane. Mrs. Dahlheimer suggested some type of speed bump between Allyn Brook Park and the football field.

Mrs. Petrella asked what everyone thought about where they stand now at a 3.96 percent increase with 1.35 percent saved for capital. She reviewed the proposed changes and Mrs. Neubig explained that the total proposed for capital was \$518,750 as opposed to \$740,000. Mrs. Booth felt that most people would like the increase to be under 4 percent and asked if that was how Mrs. Neubig and Dr. Schuch would decrease the budget. Dr. Schuch confirmed that he would take it from capital and Mrs. Neubig agreed.

Mr. Moore felt that bonding of the road project would be appropriate, allowing them to use the money for whatever breaks. That would also keep debt service level which would help with future borrowing. A constant debt level helps to not see a big increase with future bonding. Mr. Moore felt that they need to get capital reserves at the highest level they can and they will be able to maintain it once it's there, but the same thing applies to debt service. He also agreed that it will be good to get the increase under 4 percent.

Mrs. Neubig explained that if the district does end up bonding, the money can be redirected to another project, not the general fund. She does see an inevitable need to bond in the near future. Mrs. Dahlheimer would also like to see an effort made to get Pickett Lane done, but does understand bonding. She would like to wait on that to see how the budget goes.

Possible vote on proposed budget

Mrs. Petrella explained that Mrs. Caramanello has been listening by phone and Ms. Adams would be at the meeting by 7:30 PM. She added that if the board votes tonight, they do not need to meet next week. Mrs. Caramanello did not have any further questions.

Mrs. Neubig stated that the total budget proposed is \$38,489,206, with a 3.96 percent increase. Mrs. Booth asked if they would be voting to send the budget to referendum and Mrs. Neubig explained that they would be voting to propose the budget at the public hearing and send it to referendum after that.

Mrs. Petrella explained that they will hold the public hearing in the library at Coginchaug Regional High School because there is a dress rehearsal in the auditorium that night. The hearing will be held on April 6th at 8:00 PM, with a short meeting beforehand. Mrs. Booth asked if they will still have an ERC meeting that day and they will talk about that after this meeting.

Mrs. Petrella stated that she received an email about access to the playground at Brewster School and Mrs. Neubig explained that the ramp is actually included in this year's budget but the work couldn't be done until the asphalt plants open back up after the winter.

It was agreed to take the vote without Ms. Adams present at the meeting.

Mrs. Dahlheimer made a motion, seconded by Mr. Stone, to approve the board-proposed budget for the 2022-2023 school year in the amount of \$38,489,206.

In favor of approving the board-proposed budget for the 2022-2023 school year in the amount of \$38,489,206: Ms. Betty, Mrs. Caramanello, Mrs. Dahlheimer, Mr. Mennone, Mr. Moore, Mrs. Petrella, Mr. Roraback and Mr. Stone. Mrs. Booth voted in the negative. Motion passed.

Adjournment

Mrs. Dahlheimer made a motion, seconded by Mr. Roraback, to adjourn the special meeting work session.

In favor of adjourning the special meeting work session: Ms. Betty, Mrs. Caramanello, Mrs. Dahlheimer, Mr. Mennone, Mr. Moore, Mrs. Petrella, Mr. Roraback and Mr. Stone. Meeting was adjourned at 7:28 PM.

Respectfully submitted,

Debi Waz

Debi Waz
Alwaz First