

The Regional School District 13 Board of Education held a special meeting work session on Tuesday, May 10, 2022 at 7:30 PM via Zoom.

Board members present: Ms. Betty, Mrs. Booth, Mrs. Caramanello, Mrs. Dahlheimer, Mr. Moore, Mrs. Petrella, Mr. Roraback and Mr. Stone

Board members absent: Ms. Adams and Mr. Mennone

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

Mrs. Petrella called the work session to order at 7:30 PM.

The Pledge of Allegiance was recited.

### **Approval of Agenda**

*Mrs. Booth made a motion, seconded by Mrs. Dahlheimer, to approve the agenda, as presented.*

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

### **Budget discussion**

Mrs. Petrella explained that she would like the board to discuss the direction they would like to give to Dr. Schuch and Mrs. Neubig. There are some options, but she would like everyone to keep the public's concerns in mind and the fact that the budget was defeated pretty significantly in both communities.

Mrs. Petrella laid out three options: keeping it as is and move forward with the same budget, asking that the budget be reduced to around a 2 percent increase or asking that the budget be reduced down to a 0 percent increase. Right now, the budget increase is 3.96 percent.

Mrs. Booth asked where the 2 percent came from and Mrs. Petrella noted that it was just a suggestion. She added that the budget can be reduced to any percent increase that the board wants. Mrs. Booth did not feel they should keep it as it is since it didn't pass and Mrs. Dahlheimer agreed.

Mrs. Dahlheimer asked what Mrs. Neubig and Dr. Schuch would think about going down to 2.5 or 2.2 percent. Dr. Schuch had sent an email yesterday laying out the steps they would like to take. Dr. Schuch prepared the staff for reductions after the referendum failed last week. He hoped that the board would give them a ballpark percentage increase tonight and they will come back with a recommendation for the board meeting tomorrow night. The hope would be to schedule a district meeting for May 23<sup>rd</sup> and a second referendum on May 24<sup>th</sup>. Dr. Schuch agreed that they could aim for a 2.5 percent increase of the gross budget.

Mrs. Neubig explained that the net number is after revenue and is a higher increase than the gross number due to MTA revenue being less with more students from the district. Mr. Moore added that the general public votes on the gross budget which is expenditures only, but finance committees mostly look at the net budget. Mrs. Neubig noted that the net budget is actually higher than the gross budget due to the revenue being less than last year.

Dr. Schuch added that since the time of the original budget, rates have been updated on health insurance which will still represent a substantial savings but is adding to the original budget. They will have to

make up that difference as well. Dr. Schuch noted that he and Mrs. Neubig have talked and feel that 2.5 percent is doable. He added that they can cut more or less, if the board desires. Dr. Schuch also stated that they had a bid opening for bonding and that could result in some revenue that might be applied to the budget. They will fully explain that tomorrow night. Mrs. Neubig explained that the bond sale was today for the \$6.9 million that had been approved in 2019 and they sold for more than they were asking. The bond sale premium is applied to the debt service in a future year.

Mrs. Dahlheimer reminded everyone that they repeatedly heard that this isn't just about a number, but that the staffing is too high in comparison to enrollment. She would not be against applying some money, but she does believe they need to look at cuts in staff. Dr. Schuch reviewed that they had actually talked about that in the budget proposal back in February and they do feel there are opportunities to reduce staff in this cycle. They had hoped to not do that because of some of the changes in the administration at the secondary level, but they do plan to bring a proposal tomorrow night that reduces staff. All of the Central Office administrators and school-based administrators will attend tomorrow night's board meeting as well.

Mr. Moore reviewed that the reduction would need to be \$700,000-plus to get to the 2.5 percent and Mrs. Neubig explained that it would be closer to \$900,000 to include the health insurance number.

Mr. Roraback asked if there was a record of previous referendums that failed and felt that people will not stop voting no until the budget gets low. A lot of people are hurting right now. Mrs. Neubig will email the results of past referendums tomorrow. Mrs. Dahlheimer felt that the history is important, but also felt that they should meet with the Boards of Finance.

Ms. Betty reviewed that they are talking about cutting close to \$900,000 but she doesn't know how that will be done. She didn't feel that could all be done from staff and asked where else it would come from. Dr. Schuch explained that the majority of the decrease will come from staff as that is the majority of the budget as well. Staffing is not all they are looking at, but all the non-staff reductions that they felt were appropriate have already been built into the budget. He added that he has reduced staff in every budget cycle that he's been a superintendent, including here last year, because of declining enrollment. It seems to have not been the process here in the past. Dr. Schuch has also heard that the district is not willing to look at reducing staff with the declining enrollment. He reiterated that they will try to bring enough reductions to get the budget to the number, but minimize the impact to the learners.

Dr. Schuch added that they can look at the Capital Reserve fund and the field house funding, but he felt that that would just be delaying the issue which is partly how they got to where they are now. He does feel that some of the community are looking for staff reductions. He encouraged everyone to reach out to the influencers in the community. Dr. Schuch would also not want to go any higher than the 2.5 percent increase because it would not be viewed as a significant effort.

Mrs. Petrella asked if there were funds in the budget to cover grade level configurations, buildings and restructuring which would include demographic studies and architects. Mrs. Neubig explained that there was \$25,000 in the budget for utilization. Dr. Schuch added that there is certainly enough money there for an updated demographic study. Mrs. Neubig added that she got some quotes on a demographic study at about \$6,000. She also explained that reductions would also include health insurance benefits associated with staff reductions.

Mrs. Booth asked about the student supplies line item is and Mrs. Neubig will bring that number tomorrow night. Mrs. Booth sent an email to Mrs. Neubig and Dr. Schuch stating that she has a hard time cutting staffing while keeping the field house in the budget. She will not support a budget that cuts staff over that building as she feels that the \$180,000 will not even put a dent in the project. She also feels that people voted no specifically because the field house was in the budget, not because of the total number. She did recognize that there are people who voted yes for the same reason.

Ms. Betty asked how much was in the Contingency fund right now and Mrs. Neubig explained that there is no Contingency fund. There is a fund balance carryover, but that is not a contingency like a town would have. The district is required by statute to offset future year's budgets by that carryover. That number shows on the budget at \$874,000 in the revenue section. Ms. Betty also asked what each town will see as a decrease if the budget is reduced by \$900,000 and Mrs. Neubig explained that she will have to run those numbers.

Mrs. Petrella asked if the board felt that cutting the budget to a 2.5 percent increase would be enough. Mrs. Dahlheimer explained that it would be important to know exactly how it would affect the taxes in each town. She asked if Mrs. Neubig could possibly present more than one scenario and Mrs. Neubig agreed. Mrs. Petrella hopes that the community will recognize the efforts the board is making to cut the budget.

Mr. Moore felt that Durham would only be looking at a \$40,000 or \$50,000 impact on their budget, but Middlefield would still be up in the million-dollar range. He added that a 0 percent increase would still result in a \$600,000 or \$700,000 increase to Middlefield because of the change in enrollment. He wasn't sure if there was a number that would please the voters in Middlefield, but felt that the idea of cutting staff has been the major driving force in both communities.

Ms. Betty asked if Mr. Moore felt that that was why the budget failed in Durham or if there was another reason. Mr. Moore felt it was because they didn't cut any staff and it was a 4 percent increase, even without looking at the impact on the town.

Mr. Roraback added that the field house is an interesting topic and wondered how many voted for or against the budget because of that. He too has difficulty supporting the field house in the sake of teachers, but declining enrollment overrides all of that. He did add that there are many teaching positions out there at this point.

Mrs. Dahlheimer suggested sending out a survey to see why people voted what they voted. She hoped that they get some feedback on that tomorrow. Mrs. Petrella added that the public can provide feedback at the District meeting as well, but Mrs. Booth reviewed that they will have to vote before the District meeting. Once the budget is voted to send to referendum, it cannot be changed at the District meeting since there is no public hearing.

Mrs. Booth noted that she reviewed the minutes from past meetings and noted that she had asked Mr. Skelps from the Middlefield Board of Finance how much of a decrease they wanted to see and he didn't have an answer. She would be concerned going lower than 2 percent as she doesn't want to see too many cuts. Mrs. Booth felt that they may have done themselves a disservice by keeping the budget flat for so many years.

Dr. Schuch reviewed that the board and administration had all agreed on a budget, but the people didn't like it. They now have to try to figure out how far it needs to be lowered to pass on the next ballot without going too deep with cuts. He added that he has heard people say that they may be behind on the capital side of things because they haven't cut staff over the years with the declining enrollment. He does feel that they need to reduce substantially and that reduction needs to include staffing.

Mrs. Petrella reviewed that they have already cut into what was originally proposed for Capital and she would not want to see it reduced further. She agreed with Mrs. Booth's thoughts on cutting staff but keeping the field house, but felt that it was never vetted very well, they never got a decent price on it and didn't have an idea of the financial commitment needed moving forward. Mrs. Petrella felt that if the field house is cut out of the budget, it needs to go back and be vetted and not just disappear.

Mrs. Dahlheimer added that one or two people at a district meeting do not represent the entire population and she would like to get a pulse of how people feel. She would not want the budget to fail again because they didn't support something that the majority of taxpayers do want.

Mrs. Neubig added that the field house could be put into the Capital Reserve fund and out of the Equipment line in the general fund. That would not change the percentage increase, but would allow for further appropriations to be made or it could then be canceled and the money would revert back to the fund balance. Dr. Schuch felt that that would show that the district is committed to doing the project and would also add money to the Capital Reserve fund. Dr. Schuch also mentioned that there will be public comment at the beginning of the meeting tomorrow night and hoped that they hear from different people.

Mrs. Petrella summarized that the 2.5 percent increase seems like a reasonable number at this point. It would represent a significant cut, but not be too low. Mrs. Dahlheimer would like to see the numbers. Ms. Betty agreed to starting at 2.5 percent and going from there. Mrs. Neubig agreed to start at 2.5 percent and show what the costs to each town would be and then show the percentages for each reduction, including student supplies, field house, etc. She will provide a 2 and a 2.5 percent scenario.

Dr. Schuch noted that they will come close to the 2 and 2.5 percent increases and will have other items if the board wants to go deeper. He hopes to get feedback in the next 24 hours as to where people stand. He would be comfortable that they can come back with a responsible recommendation at 2.5 percent, but felt that it would be pretty ugly if they went to 0 this quickly.

Mrs. Petrella reiterated that the critical piece will be the impact on the students. Dr. Schuch explained that if this next budget gets voted down, they will probably interpret that as they need to cut more.

Mrs. Dahlheimer what the plan is if the budget fails and Dr. Schuch explained they could go to a third referendum with the same timelines. He felt that three would be the maximum that could be practically done to meet the July 1 deadline. Mrs. Neubig explained that if there is no budget passed by July 1, the district starts the new year under the existing budget and the towns continue to make their assessment payments based on this year's budget until a new budget passes. Dr. Schuch noted that the longer it goes, the harder it is for staff to adequately plan for the next school year.

Mr. Moore asked Mrs. Neubig to remind everyone what the MBR requires and Mrs. Neubig explained that MBR is the state statute that says that towns are not allowed to spend less in the 2022-2023 budget than was spent in the 2021-2022 budget, but there are exceptions to that such as declining enrollment and

percentage of free and reduced lunch. There is a threshold at which the district is not allowed to go below.

Mrs. Petrella felt that this has been a great discussion and it should be obvious to everyone that the board is really concerned and they heard the public's concerns. They are certainly trying to address the concerns and be reasonable as well.

Dr. Schuch felt it would be easier to propose one recommendation at 2.5 percent, but that Mrs. Neubig would have something ready to get to 2 percent. Mrs. Dahlheimer asked if they had a pulse on similar towns with similar enrollment and Mrs. Neubig stated that a lot of superintendents came out with 4 to 5 percent increases which are trending down around a 2, 2.3 and 2.6 percent increases. She felt that 2.5 would be an average in the DRG, state and regional districts.

### **Adjournment**

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

*In favor of adjourning the special meeting work session: Ms. Betty, Mrs. Booth, Mrs. Dahlheimer, Mr. Moore, Mrs. Petrella, Mr. Roraback and Mr. Stone. Motion carried.*

Meeting was adjourned at 8:17 PM.

Respectfully submitted,

Debi Waz

Debi Waz  
Alwaz First