

**REGIONAL SCHOOL DISTRICT NO. 17
BOARD OF EDUCATION
SPECIAL MEETING
2013-2014 Proposed Budget Presentation to
The Boards of Finance
and
First Selectmen of the Towns of Haddam and Killingworth
March 11, 2013**

A meeting of the Regional School District No. 17 Board of Education was held on March 11, 2013 in the Haddam-Killingworth Middle School Media Center. Board of Education Chair, Karen Perry, called the meeting to order at 7:05 PM.

Members Present: *Karen Perry, Chet Harris, Steven Banaletti (arrived at 7:08 PM), Jamie Lehane, Joel D'Angelo, Jeannie Young, Susan Dean, Sue Twachtman, and Becky Valenti*

Members Absent: *Amy Jacques-Purdy and Jonathan Wintsch*

Also Present: *Superintendent of Schools, Howard Thiery and Director of Fiscal Operations, Martha Vaughn, Board Clerk Larissa Johnson, Haddam First Selectman, Paul J. DeStefano, Haddam Board of Finance Chairman Deborah Olsen, Haddam Board of Finance members David Kapitulik, Diane Stock, Marjorie DeBold and Peter Areseneault, Killingworth First Selectwoman, Catherine Iino, Selectman Fred Dudek and Selectmen Louis C. Annino, Jr. and Killingworth Board of Finance members Nancy Gorski, Hilary Kumnick, John W. McMahon, Gwenne Celmer, and Shawn E. O'Connell*

Visitors: *3*

Call to Order/Opening of Meeting

Board of Education Chair, Karen Perry called the meeting to order at 7:05PM. The Pledge of Allegiance was recited.

Presentation of the Superintendent's Proposed 2013-2014 Budget

The Superintendent presented the Proposed Budget for 2013-2014. An interactive discussion between the three boards followed.

Killingworth Board of Finance member John McMahon asked how confident the Superintendent is in the revenue figures. Superintendent Thiery responded that they are concerned about the Transportation Grant because the government has targeted this grant for cutting. He is confident about the Excess Cost Grant and the Federal E-Rate. He is mentioned that the estimate on interest on District account is conservative.

Haddam Board of Finance member Diane Stock asked why the support services line is going down. Jamie Lehane responded that the District is switching from outsourced services. Superintendent Thiery also explained that the District is transitioning to the Common Accounts method of accounting which is being required by the state. He gave the movement of overtime for business clerical staff being moved to the overtime salaries line. Killingworth Board of Finance member John McMahon asked why do we have an overtime salary? Superintendent Thiery responded that there is custodial overtime and gave another example of a bus returning with a student on it and teachers or staff needing to stay at school and be with the child. He said that all overtime is approved on three levels. John McMahon asked if there is any way to

handle those situations other than with money and Superintendent Thiery responded that they could not now based on contracts already in place.

Killingworth Board of Finance member Shawn O'Connell asked about the Health Insurance reserve fund and the health insurance renewal rates. Haddam First Selectman Paul DeStefano asked about the contribution percentages from the employees. Director of Fiscal Operations explained that the contribution rates vary by union, the teachers contribute 16% and the administrators contribute 18%. She explained that the contributions are applied to the Reserve Fund by the allocation rate times 12 months and then divided by the number of payrolls. Board Chair Karen Perry explained that the Superintendent's Budget allocated \$200,000 from the Health Insurance Reserved to offset increases in health insurance costs. Superintendent Thiery further explained that they are trying to make the account for them, but that it can only be used to offset health insurance costs. Karen Perry added that an insurance consultant will be attending the Budget Workshop following this meeting to further present on health insurance. Jaime Lehane stated that a year of bad claims could erode the reserve fund and that there should be enough in the account to provide stability. Howard Thiery stated that the amount suggested is reflective of the stop-loss. He also added that major changes require a premium holiday for employees.

Killingworth Board of Finance Member John McMahon then stated that enrollment is down by 71, suggesting that it may be necessary to have staffing reductions to correspond with the decreasing student population. Superintendent Thiery responded that the drop in student population is not a direct correlation with staffing reductions. He also stated that there has been a reduction in FTEs (full-time equivalencies), but not at the same rate as the drop in student population. He said that two years prior, there had been a concern about class sizes in the twenties. Over the past two years, most class sizes have dropped to the mid-teens. He said that if trends continue, FTEs will not stay steady. They do not have reason to believe that there will be an increase in student populations.

Killingworth Board of Finance member Gwenne Celmer stated that she felt there was a disconnect between planning for changing hardware and networking capabilities. She stated that using netbooks for research might not work because the netbooks do not support Microsoft Word and it is common while researching to copy citations directly into the program and that students might need more robust server-based workstations. Superintendent Thiery responded that students are using Google Docs a lot, which is cloud-based. He also said that they are trying this on a small scale to see how it works. Ms. Celmer also added that the District should be careful not to lock-in with one company, like Google.

Haddam First Selectman Paul DeStefano asked about the Custodial Salary and Supply. He stated that it looks heavy with \$400,000 in salaries in one location. Superintendent Thiery responded that the sub-custodians the District had left a lot of gaps. But the daytime crews are light and that they are looking at upcoming retirements. The Maintenance crew also has a licensed carpenter, electrician and plumber as well as a groundskeeper. Killingworth Board of Finance member Nancy Gorski asked what other districts are paying. Mr. Thiery responded that we tend to fall midstream.

A member of the audience, Ed Munster asked about the drop in student population vs. the increase in total budgets over the past five years. He stated that there was a 9.2% decrease in student population and an 11.2% increase in the overall budget. He asked how that should translate into staff. He said it was out of sync with the population. He said that the budget needs to get closer to a 0% increase.

Killingworth First Selectwoman Cathy Iino suggested that in the long-term, the Board should consider Solar Power to reduce the energy budget in the long term. Jamie Lehane responded that the Board has started talking to them and that they are a state approved services vendor. Killingworth Board of Finance member Hilary Kumnick stated that he thought that the Board of Education has had solar energy on the table for years and thought planning and implementation were far along. Jamie Lehane responded that the

implementation has to correspond with roof repair and replacement because they do not want to place solar equipment on a roof that is being replaced. Superintendent Thiery also added that they also have to wait for available Federal funding because funding is cyclical.

Haddam Board of Finance member David Kapitulik stated that this budget represented a 6% increase to Haddam taxpayers and that the Board of Finance has had to cut the general government budget to absorb the Board of Education budget. He said that this budget is not going to sell in the Town of Haddam. Board Chair Karen Perry responded that she had similar concerns and that the Board is going to look at the budget closely. Mr. Kapitulik stated that in four years, there has never been a freeze in the RSD 17 budget. He asks for a freeze. Haddam Board of Finance Chair Deborah Olsen stated that budget is a \$1.5 million increase which is a serious increase for the Town of Haddam. John McMahon asked if the Board is aware of the Net Grand List and mill rates while they are deliberating and stated that they should be aware of them. David Kapitulik stated that the Board needs to cut the budget by \$1 million or 2-3% and they should sharpen their pencils. Haddam Board of Finance Chair Deborah Olsen added that she was shocked. Board Chair Karen Perry stated they are having a Budget Workshop following this meeting.

Haddam Board of Finance Chair Deborah Olsen also asked about the reduction to the Capital Fund 06 figure by \$190,000. Howard Thiery responded that it was at the 1% mark and was reduced to .5% and this was a working number. Ms. Olsen also asked about the Old Middle School building and what it is being used for. Superintendent Thiery responded that it houses the State Trooper and a self-funded daycare program, and that some classrooms are leased out to LEARN, another to the Haddam Library during its renovation, as well as high school classrooms and Central Office.

Haddam Board of Finance member Diane Stock asked Superintendent Thiery to provide a break down in the categories of the budget in the net budget assessment from 2004/2005.

Ed Munster, a member of the audience talked about the decrease in the student population by 58 students two years ago. Superintendent Thiery responded that you can see the number of students in cohorts move through school, but that there is a change in lower grade populations across the state.

Killingworth Board of Finance member Hilary Kumnick asked about the portable buildings at the elementary schools. Superintendent Thiery responded that the portables at KES are occupied by the fourth grade and at BES they are occupied by the preschool. He said that they are all paid for, they finished paying them off this year. The cost projection of moving them was more than paying them off. He stated that the only ones not being used are at HES. Mr. Kumnick stated that there are costs to operate them and if they fail, they are very costly to try to maintain. He asked about the long-term plan. Superintendent Thiery said they don't see a drive to replace them and that they are well-maintained.

Haddam Board of Finance member Marjorie DeBold asked about the projected enrollments and pointed out four fourth grade sections. She stated that there were low numbers of students in each class, 14 to 19. She also stated that at Killingworth there are 12.25 students per class, but there could be just three classes with 16 students per class instead.

Board Chair Karen Perry thanked everyone for coming.

Adjournment

Board Chair, Karen Perry called for the meeting to adjourn at 8:26 PM.

Respectfully submitted,



Larissa B. Johnson
Board Clerk

Approval:  Date: 4/2/2013
Susan Dean, Secretary