

MIDDLEFIELD BOARD OF FINANCE
405 Main Street
Middlefield, Connecticut 06455

Minutes of the February 13, 2020 Regular Meeting

David Lowry called the meeting to order at 7:07 pm.

Attendance:

Members

Others

| | | | |
|---|-----------------|---|----------------|
| A | Irish, Jim | A | Bailey, Ed |
| X | Kowal, Melissa | | |
| X | Lowry, David | | |
| X | Nick, Joel | | |
| X | Skelps, Michael | | |
| X | Wolak, Mary | X | Rusilowicz, Al |

A=Absent

X=Present

The Pledge of Allegiance was recited.

Approval of the Agenda

Michael Skelps made a motion, seconded by Joel Nick, to approve the agenda, as presented. Motion carried unanimously.

Public Comment

It was asked to table Public Comment until New Business.

Approval of Minutes from 1/23/20 BOF special meeting

Joel Nick made a motion, seconded by Dave Lowry, to approve the minutes of the January 23, 2020 Board of Finance special meeting, as presented. Motion carried, with Melissa Kowal and Michael Skelps abstaining.

Old Business

A. Review of current-year spending - Al Rusilowicz

Al Rusilowicz stated that not much has changed since the last meeting. The auditor line item and municipal insurances are now 100 percent spent. There is plenty of money left in the road maintenance line item in public works as a couple of items have been moved. To date, no Town Aid Road money has been received from the state. It was generally felt that that money was being held hostage at the state level. Mr. Rusilowicz explained that the state budget does include full funding for this year and next. Inland Wetlands is the line item that is most significantly over budget and that will continue. He understands that there are two properties that are creating difficulties.

On the revenue side, Mr. Rusilowicz reported that they have received two of the three ECS payments. The LoCIP money can be applied for in March. They have also been notified that the Miller Road Bridge project has not been closed out yet, so that will be closed before the town can apply for any other STEAP grant.

B. Consideration and potential vote to approve new 3-year auditor contract

Al Rusilowicz explained that there is a 5 percent increase for next year, but then no fee increase for the next two years. He feels that they do a great job and their fee is reasonable. The fee will be \$25,500 for each of the next three years and he strongly recommends the board sign the contract. Seward and Monde does audit Durham and Killingworth and Mr. Rusilowicz would guess that the fee structure is similar. Everyone generally felt that it was a good price for the work they do.

Mary Wolak made a motion, seconded by Melissa Kowal, to accept the new three-year auditor contract for \$25,500. Motion carried unanimously.

New Business

A. BOE Budget/Referendum Updates

- I. FY21 budget proposals between 2.4 and 5.5 percent increases
- ii. If no Lyman closure, likely immediate \$2.4M additional capital needed
- iii. School population continues shifting toward more Middlefield percentage over next five years

Al Rusilowicz distributed a handout and explained that he has not yet confirmed the town's increase with the school district, but the calculation does match prior years. The increase being proposed in the net school budget is 2.625 percent and the Middlefield share has gone up by \$376,762. Durham's share is up \$537,627. These are the numbers that will be used for budget purposes.

Dave Lowry explained that the next Board of Education budget meeting will be held on February 26th where they will be discussing staffing. He believes that the Finance Committee will meet on February 22nd. They are proposing a plus 2 net in staffing. Melissa Kowal asked how they can justify two new staff members when enrollment is down and Mr. Lowry explained that they will talk about that at the February 26th meeting. Mary Wolak asked if they had discussed any retirements and Mr. Lowry stated that there had not been.

Donna Golub asked why there hadn't been a cut in staffing when Korn School was closed and Dave Lowry noted that there had been staffing cuts at the time. Mrs. Golub asked what the savings was for Middlefield and Mr. Lowry explained that he had that information at home and will email it to her. Mr. Rusilowicz felt that that was a question for the school district.

Dave Lowry explained that the loss in ECS funding last year produces an unfavorable ratio of \$62,000 more, bringing this year's increase to \$412,000. Mr. Lowry explained that one mill is equal to \$419,000, so this is just under one mill. Salaries are budgeted at 95 percent in this year's budget. Other areas with significant increases are building and grounds (\$300,000), capital (\$300,000) and capital reserve (\$370,000). He then went on to review the items on the next few Board of Education meeting agendas. The finalized budget will be presented on April 1st and the public hearing will be held on April 6th.

Mary Wolak asked about the impact of last week's referendum and Mr. Lowry stated that they did not include Lyman School in the past bonding referendum, so it will require about \$4 million if it is to remain open.

Cheryl Pizzo stated that she has attended a lot of meetings about the schools and has not seen any consistency in the bonding numbers. Dave Lowry explained that the district will have to hold a bonding referendum for the \$4 million which will have to be approved by both towns. Mary Wolak explained that people are keeping a close eye on it and are asking questions. Mr. Lowry stated that the move to one single program will continue and Ms. Wolak felt it will look more like the Integrated Day program than the contemporary.

Cheryl Pizzo felt that the last referendum was quite clear with its no vote and had some research that she presented to the board members. The regional plan that was drawn up in 1968 still stands and has not been amended. This issue has been tried several times in Superior Court and the decision was that the plan needed to include the authority to close schools. Per the regional school plan, Mrs. Pizzo stated that there should be K-8 in Middlefield, even if students have been going to Durham for at least 30 years. When a town challenged their agreement in court, the court made them put it back to what the original plan said. Melissa Kowal noted that if they had to put it back to the original agreement, Middlefield's budget would be much higher. Mrs. Pizzo felt that the majority of people are opposed to John Lyman School being closed and the people have now spoken by referendum. Dave Lowry agreed, but asked what happens if the people decide they don't want to bond the \$4.5 million either. Mrs. Pizzo didn't feel this was about money, but more about the principle that it can't be done.

Al Rusilowicz explained that the bond counsel that gave this recent recommendation has been the district's bond counsel for 20 years and wondered why this is just coming up now.

Cheryl Pizzo also noted that John Lyman School is what she would call a performing asset with no debt. Mr. Rusilowicz explained that he thought that there is debt but he wasn't sure. Mrs. Pizzo explained that the high school was built in 1969-1970 at \$29/square foot. John Lyman School was built in 1966, so it would logically be less than \$29/square foot. She felt that the replacement costs would be astronomical as today's standards are over \$500/square foot.

Dave Lowry explained that graduating classes are declining and will be about 75 per class in 10 years. Mrs. Pizzo felt that that will ebb and flow. She was concerned that the document clearly states that the two towns started out as equal partners and Middlefield has been marginalized over the years. Dave

Lowry stated that the Board of Finance really has no say and Mary Wolak explained that they do take part in the Finance

Committee of the district. Mrs. Pizzo explained that the board had originally been five members from each town, each town had three schools (elementary and middle schools) and were to only come together for high school. It does state that the members of the board could change if the numbers of students changed.

Donna Golub felt that there should be at least two schools in Middlefield, not three grades in one school. She stated that Middlefield will no longer have a full grammar school. She would like to have a K-2 school and would be willing to have Durham students attend. Essentially, she would like to remain as it is. There was some discussion about bus transportation times and whether or not Durham could demand the same school situation.

Mrs. Pizzo also reviewed that the vote on regionalization in 1968 was originally defeated and they lobbied hard to get the vote passed by telling people that their children would not leave town until high school. She asked to what end does Middlefield continue to be diminished. Mrs. Pizzo will provide copies of her information to the board members.

Melissa Kowal suggested that the Board of Finance members attend the next Board of Education meeting as well as the March 11th meeting regarding buildings and grounds. Mary Wolak added that they should pay special attention to school population. Michael Skelps suggested Jim Irish follow up with the Board of Education and see if they can have a joint meeting. Cheryl Pizzo stated that the overwhelming majority at meetings does not want the school closed and the vote proved that, but yet the Board of Education is talking about repackaging it and putting it back out to vote. Dave Lowry added that if they keep it open, they will have to find the money to bring it up to code. He felt that the portable classrooms are far past their life span and Al Rusilowicz commented that the leasing companies don't even want them back.

B. Board of Selectmen meeting update

- I. Town budget - grand list finalized 1/31/2020 - up approximately \$12M
- ii. Town meeting to sell 171 Hubbard Street property to Habitat For Humanity for \$53,424 (town investment and back taxes are approximately \$55,000); town meeting to authorize scheduled for 2/18/2020 at 7:00 pm at the Community Center
- iii. New contract (extension) authorized with Valley Shore for emergency services

Dave Lowry reviewed that the grand list is up \$12 million. The storage unit project on Route 66 has been approved and the solar panel farm is on Route 66 behind Dunkin Donuts as well.

There will be a town meeting about selling 171 Hubbard Street to Habitat For Humanity. Al Rusilowicz explained that the building needs serious work and he feels that this is a great deal for the town.

Mr. Lowry also noted that the new contract extension has been authorized with Valley Shore for emergency services. Al Rusilowicz added that all the fire communications equipment has been received and should be 100 percent installed in a matter of days.

Mr. Rusilowicz also noted that Jason Wickham has looked at all of the Public Works equipment. The town had put some money into a tractor last year. The arm didn't work out, but the tractor is in great

shape. They also have a brush hog which can be combined with the tractor at no cost. That would allow the town to purchase a brand-new over-the-guardrail mower at less than the aggregate of the separate projects. Melissa Kowal asked if Jason Wickham could get a trade-in value for the present equipment.

Al Rusilowicz also stated that they will be looking to purchase a zero-turn mower before year-end. Midstate Tractor's price is a little bit less than the state bid price and should be less than what is in the capital budget.

C. Other

Dave Lowry read a note from Levi Coe Library, thanking the Board of Finance for their continued support.

There was continued discussion about the school system and it was generally agreed that the district doesn't need five schools and they would be putting money into an asset that needs to be disposed of. Dave Lowry commented that it is not the bricks and mortar that make a school; it's the teachers. He would be hard-pressed to make a decision on bricks and mortar at the cost of the teachers. They also realize that it is an emotional decision.

The Board continued to have a discussion about the Board of Education vote and proposed school closing.

Adjournment

Mary Wolak made a motion, seconded by Melissa Kowal, to adjourn the meeting. Motion was carried unanimously. The meeting was adjourned at 8:33 pm.

Respectfully submitted,

Debi Waz

Debi Waz
Alwaz First