

Newtown Board of Education Virtual Meeting
CIP/Facilities/Finance Sub-Committee Minutes
May 27, 2020, 6:00 p.m.

Call to Order: The BOE CIP Sub Committee meeting was called to order at 6:03 by Mr. Delia. There was no public participation.

Participants: Dan Delia, Chair, Sub-Committee, Ron Bienkowski, Director of Business, Dr. Lorrie Rodrigue, Superintendent, Dr. Michelle Ku, Chair, Board of Education, Robert Gerbert, Director of Operations, Deb Zukowski, Sub-Committee, Debbie Leidlein, Sub-Committee, Mark Pompano, Director of Security, Allen Adriani, Sustainable Energy Commission, Kathy Quinn, Sustainable Energy Commission John Prunier, District Manager, Whitsons, joined at 6:09 p.m.

Pledge of Allegiance

**Item 1 Approval of April 9, 2020 BOE CIP Sub Committee Minutes
Approval of April 30, 2020 BOE CIP Sub Committee Minutes**

Mrs. Leidlein moved to approve the minutes of April 9, 2020 and April 30, 2020. Ms. Zukowski seconds the motion. All in favor. Motion passes.

Item 2 Review of 2020 Building & Site Projects and MG HVAC Bids and Recommendation

MR. Bienkowski presented a summary of the building and site projects as budgeted and which lists actual expenses (attached). Additional projects were added at HOM which included the additional card reader, and replacement of 40 classroom curtains with shades. For the High School, the additional track repairs and field refresh were added for safety reasons to meet the standards of the compression and compaction. Mr. Bienkowski stated the summary also included a breakdown of the MG HVAC bid. Mr. Bienkowski said that if we move ahead with this project it would require \$107,690 which would leave us within \$28,000 of the bottom line of the budget.

Mr. Delia asked if all projects were approved in last year's budget and that it looks like we would go over the building and site maintenance budget by about \$29K if we do this MG project. Mr. Bienkowski agreed with Mr. Delia's statement.

Mr. Gerbert talked briefly regarding the MG HVAC project. The job was originally proposed as just providing cooling for the auditorium/gym which included the installation of 4 ductless splits for cooling. The RFP (Request for Proposal) went out before Mr. Gerbert was employed by NPS. Mr. Gerbert re-evaluated the job and asked the designer to prepare specs for another bid which was done in April of this year. He received several high priced bids ranging from \$127K to \$212K. He then explored alternative options by contracting Trane and ABS. Automated Building Systems (ABS) came in with a proposed alternate option to replace the existing heating only units above the stage in the auditorium

with heating and cooling for \$107,690. Mr. Gerbert recommends to pursue the option with ABS at the lower bid.

Ms. Zukowski asked if the only rooms that would be cooled are the auditorium and gym. Mr. Gerbert stated yes. Ms. Zukowski then asked if there would be more movement of air overall and able to address some of the air quality within those two rooms. Mr. Gerbert said yes.

Mr. Adriani from the Sustainable Energy Commission asked Mr. Gerbert if the original proposed bid included CO² demand controls with the roof top units. Mr. Gerbert said yes and stated that the existing units that would be replaced in-kind already have a fresh air intake so there is ventilation which the new units will provide.

Mr. Gerbert explained what exactly the installation would consist of.

Mr. Bienkowski stated we had several bids and it is perfectly appropriate to negotiate after we have received bids that don't come in at the right quantity amount. We now have a comprehensive solution to bring in fresh air in addition to providing cooling and air condition into the hotter periods. If the committee is in agreement with this vendor and installation then it should go to the Board for approval.

Ms. Zukowski asked where would the money come from to address the \$29K overage in the buildings and site budget. Mr. Bienkowski stated it would come from the overall balance that exists in the school budget. He said it is not unusual to see an account go over while other accounts are under.

Mr. Delia stated he is in support of this and glad we are doing this for Middle Gate.

Ms. Zukowski concurs and Mrs. Leidlein is in agreement.

The committee is in consensus and this item will go to the Board of Education to award the contract for the MG HVAC project to Automated Building Systems (ABS) for a bid price of \$107,690.

Item 3 Discussion and Possible Action on the Revision to the CIP

Mr. Bienkowski presented the CIP stating that adjustments have been made since the last meeting (attached). All of the costs moving forward have been increased by a 6% inflation factor for construction. There are no major changes to the plan. The main project for next year is the Hawley HVAC and replacing the HS Stadium field. Mr. Bienkowski stated he did not think we could push the High School field off another year as it needs to be done. The Hawley project has been on the CIP for 15 years and it is now exciting to see it finally come up. Presently there is an RFP (Request for Proposal) out for engineering and design professionals.

Ms. Zukowski asked about the unsightly house/landscape on the CIP and how we previously talked about it wasn't an option to pursue and therefore taking it off the CIP.

Mr. Bienkowski stated this is a committee decision as this was a plan that was approved by the Board of Education. He would remove it if the sub-committee as a whole decides to remove it.

Ms. Zukowski asked if the school district was allowed to own land and buildings. Mr. Bienkowski said no that the town owns the buildings and land.

Dr. Rodrigue stated she wrote a letter to the town earlier in the year and went to the Board of Selectman which they chose to not act on it. She suggested at this time that it may not be worth having it on the CIP as it is less of a priority. There does not seem to be interest from the town to purchase this property and that we have to look at what is important.

Mrs. Leidlein stated she was okay with taking it off the CIP or pushing it out. Maybe in 5 years if the property is still available it could be looked at but at this time it is not a priority.

Mr. Delia stated his thought was to push it way out but keep it on the CIP. If circumstances change and we need the land then it would be on the CIP.

Ms. Zukowski asked Mr. Gerbert if he was aware of all options looked at and motivations on this project? Mr. Gerbert stated he knows there have been concerns for safety, security, and potential room for additions. There are several reasons of wanting to pursue purchasing that land.

Ms. Zukowski suggested we pull it off since it is not our purview to put land purchases on the CIP, she thought we should continue to investigate this and once we have enough to convince the Board of Selectmen to actually support the purchase we could then look at it again.

Dr. Rodrigue stated we need to be clear. Safety and security was part of her letter. The First Selectman had the Newtown police do a safety study. They looked at a variety of things and one of the issues was how many times they were called to the property. There was no safety issue. The Town is the only one who can purchase the property. If this is off the CIP it does not prevent us from going back to the town for a discussion.

Mr. Delia stated he is good with removing it from the CIP.
Ms. Zukowski concurs to remove it as well.

The consensus from the committee was to now remove the purchase of the unsightly house from the CIP.

Ms. Zukowski brought up the boilers at HOM and separating the boilers out from the lighting and put them in year 2.

Mr. Gerbert stated there is no negative to doing this. With the Reed project coupled together there are more rebates to be had. If we break out the boilers from the lighting at HOM, there would be no impact on potential rebate. There would only be eligibility for lighting.

Ms. Zukowski asked what the cost would be if separating the boilers and putting them into year 2. Mr. Gerbert stated the cost is about \$400K.

Mr. Adriani stated that we need to keep in mind the Hawley project as part of the design is required to do an indoor air quality study and the building has to be occupied in order to do that study. Because of COVID if the schools do not go back in in the fall we would not be able to do the air quality study which would delay the project a whole year.

Dr. Rodrigue asked the question if the building has to be fully occupied in order to do the air quality study? If we are on a staggered schedule at 50% capacity does that still qualify?

Mr. Gerbert stated it will give you some data but cautioned we don't want to design a system based on 50% capacity and then 2 years later we are back at 100% capacity and run into issues. We still have to lead the designers to anticipate it as a fully occupied building.

Mr. Delia stated there is no incentive to do the boiler and lighting together at HOM but there is an incentive to do them together at Reed.

Mrs. Leidlein stated if there is any concern over putting the project at Hawley in jeopardy and if we add more to year 2 and we can't swap it out then she does not agree. She would prefer to leave things as they are and see what happens in the fall with the Hawley project since we have time to make this decision and it does not need to be made now.

Mr. Delia stated we could make this change down the road if we are patient.

Mr. Bienkowski stated we would bring this to the Board of Education in September and then forward to the Board of Finance. We have a couple months on this.

Mr. Delia stated we want to be thoughtful and patient. This will be on our agendas for a few times before that time in September.

Dr. Rodrigue agrees and all are good points. She stated just because the boiler is older does not mean we would have considerable trouble with if we left it where it is. She does feel nervous about the economic landscape if we have to push anything back.

Mr. Bienkowski pointed out that we did spend considerable money on these boilers in the past year; \$60K at HOM. They are in good shape now. We need to look at the numbers carefully if we are going to split them up

Mr. Delia asked Mr. Gerbert to look at the numbers on splitting this up and getting back to the Committee.

The consensus of the committee was to leave the HOM project as is for now.

Mr. Delia asked Mr. Gerbert if he felt any urgency in the Reed project or is it still good for 2 years from now.

Mr. Gerbert stated he thinks having the project where it is on the CIP is fine.

Mr. Adriani asked Mr. Gerbert about the age of the CO monitors at Reed. Mr. Gerbert stated he did not know the age but he spoke with our vendor who provides them and he explained the operation of the unit and that they are good for 10 years and are tied into the fire panel. If they did detect carbon monoxide they would alert the panel. They also give an audible chirp when they approach their end of life.

Mr. Adriani stated that he was given a tour of Hawley by Mr. Gerbert not to long ago. He stated as we go through the design, the older 1947 wing has tall ceilings. He recommended to lower the ceilings down by doing a study to determine energy costs, equipment costs.

Mr. Adriani stated we need to set a date to walk the schools. Mr. Delia said we could do this the end of June or early July.

Mr. Gerbert stated he agrees with Mr. Adriani regarding the design intake about the ceilings. Mr. Gerbert thanked Mr. Adriani for his insights he had for the RFP and that he had a number of contributions that were very helpful.

Item 4 Recommendations of Additional Expenditures for Fiscal Year 2020

Mr. Bienkowski talked about the Verkada Security System that was installed last year. The district re-equipped all of the security cameras throughout the school district and entered into a 5 year lease purchase agreement. Our first installment payment was June of 2019. The second installment is in the next month and following that we have 3 installments that will need to be paid. The 3rd installment is budgeted in the operating budget for next year, and the fourth and fifth installments will have to be appropriated or included in the budgets for those years. He stated one of the considerations was to pre-pay this lease arrangement. There is no pre-payment penalty if we chose to make these payments and there is no interest forgiveness. Advantage to pre-payment is to reduce the need that we would have to budget for that in year 2 and 3 if we went this way and, if we decided to pay all 3 of the lease payments it would give us the opportunity to have \$124K in next year's budget that could be re-assigned for other purposes for things we are not aware of now. Another reason for recommending this is we have a considerable balance brewing for the current year and it would help to reduce that balance and it would be a benefit both currently and in the future. His recommendation is to go for a 3 year pre-payment. He does not think it will significantly impact the balance we will have for the current year and the balance is a manageable amount.

Mrs Leidlein stated she sees this as two ways. She said she is concerned with pre-paying this ahead of time. With pre-payments there is no trail of yearly payments. There is also not a benefit in paying it off as we would not be paying less if we are paying for it ahead of time.

Mr. Bienkowski talked about the support from the company for the next 10 years even though we are only paying for 5 years. The line items within the budget would show an expense for this year and next year there would be no expenditure. If we had to we would be able to explain the drop off from this year to next year and then from next year going forward there should be a consistent dollar amount. There will not be a big jump in year 3 or 4.

Ms. Zukowski asked how much the charge would be for them to continue to guarantee the system for years 6 through 10. Mr. Bienkowski said it is already included in the price. Mrs. Zukowski stated then it would be a wash if we continue to pay it on time, we would still have 5 years where someone would see nothing and if we pay it ahead, you would see no expense in the next 5+ years.

Mr. Pompano stated he is very happy with the system and we will continue to get software upgrades for the 10 years. We don't have to start thinking about another camera system until the fall of 2028. He stated he agrees with Mr. Bienkowski to pre-pay the payments.

Mr. Delia stated he does not see a benefit to prepaying.

Mr. Bienkowski stated the benefit would be that we don't have to budget for 2 years out and you can build in \$125K balance available in next year's budget. If we pre-pay it now we would have that \$125K to redirect to whatever the needs would be in the operating budget.

Mrs. Leidlein said she was not sure that this is the best way to handle this. She said she was willing to agree with Mr. Bienkowski.

Ms. Zukowski asked what the amount would be that would be available to address COVID Operational costs for next year.

Mr. Bienkowski stated that the numbers he has at the moment is the difference between \$1.3M on the high side to \$800K on the low side. Even with this expense there could be a significant fund balance available.

Dr. Rodrigue stated she thought we would be okay and agrees with Mr. Bienkowski that this is a smart move.

Mr. Delia stated he thought we should hold back on making this decision tonight.

Mr. Bienkowski stated this takes time and if we agree to pre-pay it would still need to go to the full Board.

Mrs. Leidlien stated she would not be opposed to bringing it to the full board for a full discussion.

Mrs. Zukowski also agrees on bringing it to the full board.

MR. Delia stated the consensus was to bring this issue to the Board of Education.

Mr. Bienkowski then brought up the second additional recommendation of the security station at the front of the High School. It was originally installed in 2009. It is only an 8x8 facility and the thought is to replace it with an 8x10 facility with year-round occupancy with heat, utilities and a computer. Estimates will probably be in the \$8-10K range. The \$28K shortage on the Building & Site Improvement Projects list would then become a \$38K shortage. We have the opportunity to replace this and do this work now.

Mr. Pompano explained the reason for replacing this is the building is too small, and the ceiling is small for taller security officers. There is a heater in there but no insulation. We have tried to get this building replaced by grant applications in the last two years without any luck.

The committee concurs that this is something that needs to be replaced.

Mr. Delia thanked Mr. Pompano for all he has done with regards to security for the district and students.

Item 5 Food Service Program

Mr. Bienkowski explained where we are at with the Whitsons' 4th year amendment. Due to COVID 19 current operations have been suspended since March 12th. With regards to a contract for 2020-2021, the BOE is required to approve a 4th year amendment which has to be approved by the State of CT and has to take place before June 30th. The Key is we need to have a food service management company here to help and advise us going forward.

Mr. Prunier, District Manager of Whitsons, stated he wanted to thank everyone for their time. He said Whitsons is dedicated to really being with Newtown every step of the way...and with doing the emergency feeding in district, Whitsons has served over 9,000meals. With the CDC interim plans we are as close to the situation as a company can be and we have developed a task force and guidelines but we don't know what the district will need yet. ...we don't want to be pre-emptive in spending money. We know there will be additional costs related to adding plexiglass for servers, PPE, transport equipment to deliver meals to classrooms, signage, etc., basically a never ending list. Cost factors are all over the board. We need more guidance from the State and we will proactively work with Newtown to be ready for the fall.

Dr. Rodrigue stated she wanted to thank Whitsons. She said we had little time to coordinate the meal distributions and her numbers recently came in with Whitsons serving close to 11,000 lunches. She further said, Whitsons has been fabulous, and has done so much good for the community and kids. We have a Re-entry Committee that just started and we will be reaching out to Whitsons on logistics and operations which they will be a part of.

Mrs. Leidlein stated she is in support of continuing the partnership with Whitsons.

Ms. Zukowski stated she thought everything looks reasonable and shifting to someone else at this time is not a place we want to go.

Ms. Zukowski asked if Whitsons is responsible for providing the PPE for their staff.

Mr. Bienkowski stated he is not sure what is going to be required for their workers.

Mr. Prunier said under normal conditions we do have uniform expense, hairnets and gloves. But if there are additional requirements, we will have to lay that cost out as additional to the program and bring it to Mr. Bienkowski. Mr. Prunier will forecast that based on longevity of what the situation is going to look like.

Mr. Delia stated he is in full support and wanted to also thank Mr. Prunier and Whitsons as this is more than servicing food but also taking care of our students and Whitsons has done a wonderful job.

Ms. Zukowski concurs with recommending Whitsons 4th year Amendment to the Board at the next Board meeting.

Item 6 Discussion of Non-Lapsing Fund and Policy

Mr. Delia stated he wanted everyone to be aware that this committee is not the policy committee and that we are having a discussion only. We rely on the expertise of the Policy Committee to write the policy.

Mr. Bienkowski stated the draft of the regulation for discussion was included in the prior meeting (attached). The yellow areas are additions added since the last sub-committee meeting.

Ms. Zukowski stated she was trying to understand if there is a mission that describes the value we get out of this policy. She does not see a mission statement. She stated when we have an emergency that puts students or staff in danger and we need to fix as soon as possible, it would be nice to go to the non-lapsing fund without getting approval from the Board of Finance.

Dr. Rodrigue stated when the state first decided that districts would be able to have a Non-Lapsing Fund it was for capital projects, and emergencies. That was the goal, so when the districts had unexpended funds they could put into the fund and utilize the money so they would not have to go through the town to request the funds. When we spoke with our attorney he was nervous with SpEd being a part of it. We decided to earmark a part of that money within that larger fund. Even when we go to other boards there is a lot of confusion over the contingency and the earmarking of the funds. This policy was drafted just to define on a broad level that there is the fund and what the purpose of the fund is.

Ms. Zukowski says as a Finance Board discussion, we need to have a deeper conversation and we need to articulate better at what the value to the town is, what they get based on our ability to manage this fund.

Mr. Bienkowski stated this document he prepared came as a result of reviewing 30 other town regulations and how they use their Non-Lapsing Fund. Mr. Bienkowski stated he is struggling to understand what do we change in this draft and what is inappropriate in this document that needs to be changed. The point of this document is to say that the fund was created, when it was created, and what has happened since then. This is a guideline of what we need to consider and how we consider using any money in the fund.

Mr. Delia stated this document is a more pertinent conversation for our committee than the actual policy.

Dr. Ku stated the purpose of the fund was really set up by the Board of Finance with the Board of Education in order to give the Board of Education the ability to save the money at the end of the year so we are not spending down money just to be able to use it on education regardless of where we are spending it. It is not a good planning mechanism because we are not budgeting to put money into it so you can't really plan to do anything with it unless you know you are building up funds in it.

Mr. Delia stated we are a finance committee and as a committee, we can discuss how the funds are used. The policy is a policy that is meant to be very broad. We can discuss the regulation that Mr. Bienkowski has brought to us.

Dr. Ku stated regulations tend to be developed by administration. But she does see the CIP committee making recommendations.

Mrs. Leidlein stated looking at what Mr. Bienkowski has put together in the regulation, it gives us flexibility. She agrees with what has been added. She said she feels that this is something she could get behind. She did say she is concerned about anything which would bind us from making decisions as events or changes happen as the idea was to give us flexibility with regard to this account.

Mr. Delia stated he agrees and the regulation does include the Board of Finance.

Mr. Delia stated Mr. Bienkowski will share the regulation with all BOE CIP Sub-Committee members to review the document and for each to add comments and at the next meeting we will discuss it and put it to rest.

Dr. Rodrigue stated we are all one town with one taxpayer base and any unexpended funds we use for good purpose is helpful to the town and taxpayers. Whether the town is using their funds or we are using funds from our Non-Lapsing.

Mr. Delia stated the Non-Lapsing Fund is a wonderful tool because it allows us to not require to spend down a budget and it keeps the money in a vehicle that allows us to use it for the students and original purpose, education.

Mrs. Leidlein agreed with Mr. Delia. She said this is not meant to be a budgeting tool. She said she would like our Legal Council to weigh in and explain to us their understanding of the legality of us making certain decisions and trying to establishing different pathways to use or access this funding.

Mr. Delia stated he would talk with Dr. Ku regarding this.

Adjournment:

Mr. Delia asked for a motion to adjourn the meeting. Mrs. Zukowski moved to adjourn the meeting. Mrs. Leidlein seconds the motion. All in favor. Motion passes and meeting was adjourned at 8:40pm.

Respectfully Submitted,
Joanne Morris

THESE ARE DRAFT MINUTES AND ARE SUBJECT TO THE APPROVAL OF THE BOE CIP/FACILITIES/FINANCE
SUB COMMITTEE

Newtown Board of Education
CIP/Facilities/Finance Sub-Committee Minutes
April 9, 2020

Call to Order: The BOE CIP Sub Committee meeting was called to order at 5:30 by Mr. Delia. There was no public participation.

Participants: Dan Delia, Ron Bienkowski, Debbie Leidlein, Lorrie Rodrigue, Michelle Ku, Robert Gerbert, Debbie Zukowski

Item 1 Approval of minutes – Mrs. Leidlein moved to approve the January 29, 2020, BOE CIP Sub Committee minutes. Mrs. Zukowski second the motion. All in favor. Motions passes.

Item 2 Discussion of Non-Lapsing Acct

Dr. Rodrigue stated we have gone back and forth from when the non-lapsing account was originally established. She wanted to open the discussion up as the Sub Committee will be working with the Board of Finance as they normally do to determine which funds are surpluses that go in, and those that feel we would be using and then requesting the funds to be used in that manor. The Board of Finance has the set authority accepting those funds. We still have earmarked funds in there for special education. We want to have a good robust dialog around the kinds of things we would use the non-lapsing account for. We need to define it well and have clarity around it, while having a plan when we do go forward with the other town boards.

Mrs. Ku presented a slide presentation related to the Non-lapsing account (see attached). Mrs. Ku went over the background of the education Non-Lapsing fund and how it was created by the Legislature in 2010. She stated there are questions that have come up with other town boards with the education non-lapsing account, particular since the account is getting larger over the years. People have been having other ideas about how to use the money. If we set up some guidelines it may help to set expectations. She explained the reason for creating this education non-lapsing fund and how it was to encourage the Board of Educations to save end of year surpluses rather than spending down accounts and, to use the education money for education purposes instead of having the money roll back into the town accounts. She then discussed the two mechanisms of the non-lapsing account which is 1) the non-recurring or capital, which is really savings for non-recurring expenses which is somewhat insurance against emergencies or extraordinary situations that occur, this is not budgeted only funded by the variance at the end of the year. But if it were budgeted such as it happens for municipal capital non-recurring, you could use if for better long term planning. 2) the Special Education self-insurance fund covers the unexpected increases in the special education costs during the year as we have the contingency within the budget. It is also meant for any extra money that goes into the account and would help mitigate any amounts that go over the budget during the year. That part is budgeted within our BOE budget. She further discussed the importance of maintaining and defining a minimum balance in both mechanisms and whether we could use portions of the education non-lapsing fund to cover the special education self-insurance fund when needed. She indicated she has spoken with Legal Council and about how we could handle otherwise. They suggested asking the town to create a special education reserve fund that would be maintained by the town and separate from the non-lapsing

account, or we should consider writing policy to clearly delineate what the special education portion of the account is from the capital non-recurring savings. She then discussed the activity of the education non-lapsing account and what is currently in there.

Mrs. Zukowski stated she noticed the change in language in the different statues (attached) regarding the definitions of the non-lapsing account which were significant changes. They also called into question on who would be responsible for releasing money from the account to be able to manage what is going on. She thought we should discuss and consider more deeply in terms of how much authority does the board have over the money once it is in the account and appeal to how we can have authority over the money and maintain a trust with the various boards.

Mr. Delia said he thinks if we can spend some time working on defining specifically what this fund is used for that would hopefully answer a lot of questions.

Dr. Rodrigue stated that the authority comes from the Board of Finance. It is imperative to at least have a plan with the kinds of things we want to utilize the funds for in the future. If we designate an actual amount then it will inhibit our use. The more we have this dialog the better we will be in the definition and the plan.

Mrs. Zukowski stated she indicated she did not want to specify a water mark for the entire fund but for special education there should be a start of no more than 2 times the 5 year average and, we also don't want less than 1 time the 5 year average at the start of any particular year, that way we have enough to be somewhat comfortable going into that next budget year.

Mr. Bienkowski stated he does agree there needs to be some definition that is fluid and flexible. Everybody understands special education and it is pretty clear cut. If we talk about buildings and emergency repairs we know what those are. But there could be things on the horizon that we are not aware of such as cyber threats or ransom demands on communities. If you narrow it down, you then take away those opportunities that may pop up where you would need access to funds. When you start averaging the cost of special education, and if we are successful going forward and we are able to budget appropriately and we have the reduction in special education expense then that number will start to go down. It may not be that important to say the 5 year average of what we have gone over because ideally we don't want to go over in the future. We still want to have some contingency in case something else came up in special education that we have to deal with. When we talk about emergency repairs we have an account for that and the only way we would need to ask for more money for emergency repairs is when we get to the end of the year and if we don't have the money in other accounts to cover for that. It actually becomes too late to go and ask for the money from the Board of Finance at that point. You have to take into consideration the things that can occur and the potential factors. We have to keep it flexible and if you define it too narrowly, it will be easy for other town boards to say that does not fit within your guidelines and therefore you will need to take it out of your operating budget.

Mrs. Leidlein asked Mr. Bienkowski if he is recommending that we not split the accounts into a special education reserve fund separate from the non-lapsing fund. Mr. Bienkowski stated he does not see a problem continuing the special education fund as a separate reserve fund. You don't want to specify within the funds. Mrs. Leidlein stated we are always looking at getting better numbers for our CIP projects, and often have an engineering costs that happens prior to the project year. Could we use this account to absolve some of these expenses?

Dr. Rodrigue stated especially this year with what will happen with the referendum we are looking at perhaps requesting some of the surplus to be used for that because there is the likely hood they could be moved or dropped. She does see some of these things as potential uses from the fund. Dr. Rodrigue asked Mr. Bienkowski if he agreed. Mr. Bienkowski stated he does agree with this and thinks it would be good to have that flexibility going forward.

Mrs. Zukowski asked Mr. Bienkowski if you have a certain amount encumbered within the non-lapsing account does that make it two separate accounts? Dr. Rodrigue stated that is what we are doing now. The discussion continued with examples of how the accounts would be earmarked or split.

Mr. Delia then stated one of the questions we are talking about with this non-lapsing account is if the money is specifically for special education then do we want to set it up or put a mechanism in place so that the money is only used for that. Mr. Bienkowski stated he thinks that is what would happen if the town set up a special education reserve fund. If we go that route, it will be a separate and distinct reserve fund on the town's books and if we had a need for more money with what was left then we would not be able to tap into the special education reserve fund. Once you set it up that way you can't change it and it becomes a dedicated account.

Mr. Delia stated that any money we put into a separate account that is earmarked for special education he would be in support of since that was what the money was initially budgeted for. Mrs. Zukowski stated if you have the non-lapsing account and you have a certain amount encumbered for special education then you can't use that money, you have to make sure that money is dedicated. Mr. Bienkowski clarified some of the terms and phrases being used in the conversation such as 'encumbered' vs a 'reserve' fund.

Mr. Delia stated he thought it important how we define how the non-lapsing fund should be used or come up with more guidelines.

Mrs. Ku stated she did not think anyone should come to a conclusion today but to consider it. She though listening to Mr. Bienkowski talk about wanting to have the flexibility and trusts his judgement in the ways he sees this account possibly being needed and used. The reason for asking for definitions was to have answers to alot of questions that have come up during the years. Maybe asking Mr. Bienkowski to develop some guidelines would be good for us to use in a policy or a regulation. We need to think about separating out the special education and raise the possibility of a future discussion to bring to the board.

Mrs. Leidlein asked if you separate the accounts out and you go over in your special education expenditures and you need to go into the reserve fund to cover the cost you have incurred, you could then also tap into the non-lapsing account? But if you go over on a project amount in the non-lapsing account then you could not go into the special education reserve fund to cover that expenditure. Would that be correct? Mr. Bienkowski stated that would be correct.

Mrs. Zukowski asked Mr. Bienkowski for two additional aspects. She stated if the Board of Finance can basically decide; 1) whether they can put the remaining money of a budget into the non-lapsing fund then can they also decide what remains can go into the non-lapsing fund. If we can do something to build in confidence that the town understands the position of why that money can be where we can get to it would be very good; 2) a question of the town refilling our emergency fund. The whole concept is

we are part of the town and they need to have confidence in what we are using the money for and we have to have confidence that they have our backs. That type of thinking could be represented with dialogue.

Mrs. Leidlein stated she did not think it was the town's responsibility to backfill our emergency fund if we use up the funds.

Item 3 Discussion and Possible Action of CIP/Fields Proposal

Dr. Rodrigue discussed the HS Stadium front and back fields which are listed on the BOE CIP in years 1 and 5. Dr. Rodrigue asked the Athletic Director and the Director of Facilities not only to price out what the potential costs would be so we had a better understanding, but also about completing the two together. She stated rather than doing them in separate years we were informed we could have a potential savings of \$75K to \$100K if we did them together. We considered this when we looked at the potential use of the non-lapsing account. This was considered prior to the pandemic and what we are experiencing now. There are positives to doing it this way. There is a lot of interplay with the CIP and the non-lapsing account.

Mr. Gerbert stated with the potential savings of doing the fields together there is also the piece of the town's Park & Rec Dept. contributing to the site work portion of the rear fields. The scenario we talked about was the field guys would rip up and replace the stadium fields and then while that is being done Park & Rec would be doing the site work in the back fields to do the excavation, grading and laying down stone and drainage. Once done it would then turn back to the field guys to finish. That is where the potential savings would come in.

Mr. Delia asked if the September 22nd bid included the work being done by the Park & Rec Dept. Mr. Gerbert stated no it did not. He stated they had the discussions about combining the projects after the proposals came in.

Mrs. Leidlein asked if this was all predicated on the idea we are going to take the savings from this year's non-lapsing account and using it to offset these costs? Dr. Rodrigue said yes. Mrs. Leidlein asked what the timeframe is for making the decision. Mr. Gerbert stated the vendor has a pretty extensive backlog of fields that they have to do so the sooner we can book with them the sooner we can schedule and whatever summer this is going to happen we would want to get on their calendar in the fall before.

Mrs. Leidlein expressed her concerns over the health and economic impact of the virus on our country and without knowing when we are going to be up and running again, she stated she is concerned about how the community is fairing and how the funds could be used to mitigate taxes to our community they need to pay in order to support the budget and how we can help with that as well.

Mr. Bienkowski wanted to clarify the timeline on this and stated this would be next year's CIP so we would have until August or September to submit it to the Board of Finance so the fields would not get done until the following summer. He said if you have a plan to do both and a plan on offsetting some of the cost with the non-lapsing fund, this could be presented as a package and if they approve the CIP they would also be approving the use of dollars from the non-lapsing fund. At that point we could get the contractor to put it tentatively on the schedule because it would depend on the following year's referendum, then it becomes April 2021 that it would be decided.

Dr. Rodrigue stated we need to be speaking with the Board of Finance in advance when we have our surplus and want to have a complete plan. Mr. Bienkowski stated it would be better for us to be in a position when we do the year-end financial report and we know our balance.

Dr. Rodrigue stated we need to know that all of this discussion, planning and thinking was prior to the current situation. However we look at this when we get to that point and discussing the CIP in the fall, things could change on the town's perspective and our perspective on what is important and how we support the tax payers.

Mr. Delia stated we are being very responsible and we need to be contingent of our current situation and we don't know what is going to happen. We have to be good stewards for our town and our children. We have to be mindful of what the students' needs are right now and we need to have a plan.

Item 4 Discussion and Review of Entire CIP

Dr. Rodrigue stated in previous conversation with the Legislative Council there had been the discussion of swapping the Reed and HOM boiler projects as one was newer than the other.

Mr. Gerbert stated the discussion with the Legislative Council and our logic in keeping Reed in front of HOM was the coupling of boilers and the lighting projects and getting the larger rebates. Since their discussion, Eversource has revised their incentive programs. In terms of HOM boilers, water heaters and lighting, they have severely discounted their LED rebates unless you do further measures such as lighting controls or occupancy centers as opposed to just straight up lights for the sake of energy savings. They are pushing more in order for us to get that rebate money. The rebate for HOM becomes less than the rebate for Reed. The fact with Reed is it makes more sense because it is a larger school than HOM. There is more lighting there and the savings and rebate we can recoup is significant and more than we could get at HOM. Mr. Delia asked if we should keep the Reed project before the HOM project and Mr. Gerbert stated yes.

Mrs. Zukowski asked if you could unbundle the boilers at HOM and maybe just move that one project forward in year 1 or year 2 of the CIP and for how much? Mr. Gerbert stated you could pull them apart and for the boiler portion the cost could be \$350-400K to replace. Mr. Delia stated that it looks like we would not get a big rebate from the HOM project. Mr. Gerbert said the school is on oil so there is no incentive there. It would only be the lighting and the way CL&P is going with the lighting only job, it is an express rebate which is a discount assigned based on fixture type and wattage, or if we went with a large lighting rebate they require lighting controls.

Mrs. Zukowski wanted to discuss the HVAC for Hawley in year 1. She asked if we did the engineering plan yet for the HVAC and was questioning the \$4.2M in year 1 of the CIP. Mr. Delia stated we broke off the engineering so we could then get the engineering done and we could get bids and then solidify the plan and cost. Dr. Rodrigue stated typically we have had everything in one cost and we can only put in a cost that is anticipated until we get engineering plans. Mr. Delia stated if we look at year 4 and 5 we broke it out so we could get the engineering done a year in advance and get a more accurate bid. Dr. Rodrigue stated we want to give taxpayers the clearest information and it is difficult to do when you have it all in year 1.

Mrs. Zukowski asked if the voters have approved of the \$300K last April and when can we expect the engineering to be done. Mr. Bienkowski stated the voters have not approved this yet and is proposed to be on the referendum for this April. Mr. Bienkowski discussed the process of the scope of work and specification of engineering firms along with the timeline of the RFP (Request for Proposal) process once it is approved. He said work could possibly start in the summer of the 2021-2022 summer break.

Mr. Delia asked for clarity on the HS in year 1 with the rear turf practice fields. Mr. Bienkowski stated the first one is the fields we talked about earlier at \$1.1M. The second one is a facility or building that have restrooms with storage capability. If there was a facility there it would make it more efficient for practices. It is something that was talked about for years and he moved it back on the plan as he thought we were not ready for it at this point. Another component going into the 10 year deal is the field house and storage for the stadium. So we have two of them. Just because we have it on the plan does not mean we have to do it. It's just to keep it in front of everyone's thinking as it would be nice to have and the Athletic Dept. has been pushing for this for a while.

Mr. Bienkowski stated he thought we should drop the gas lines to the HOM school for \$3.8M and Mr. Gerbert's recommendation of the fuel cell at the HS in year 6 from the CIP. Mrs. Zukowski stated she agrees that the gas and water company would benefit from those extensions and they are huge hurdles for happening anytime soon. With the fuel cell the answer given was that there are possible other funding sources for that at the HS.

Mr. Biekowski said also we did have the site surveyed and there is no place to put it adjacent to the building so that is another concern. Mrs. Zukowski also agreed on the pulling of the unsightly house purchase next to Hawley. She thinks we should regroup and talk about alternatives and rework that plan and discuss other options. Even though it may not appear in the plan we should not stop talking about it but doing it in terms of motivation and reason prior to committing or asking for the funds.

Mr. Bienkowski asked if we can get an agreement to drop these items off the CIP plan. Mrs. Leidlein stated we could just vote on a revision to the CIP. This will be added to the agenda for the next meeting.

Dr. Rodrigue asked if we are thinking about adding MG at all since we are taking 3 items off the CIP. If you add those 3 items up, they are pretty extensive. She then asked when we go to revise the CIP do we want to see it put somewhere even if it is down the line? Mrs. Leidlein and Mrs. Zukowski agreed it should be added.

Item 5 Potential Impact of School Closure Due to COVID-19

Dr. Rodrigue asked Mr. Bienkowski to look at the potential savings and potential expenditures on the other side of the ledger. He took this information that was brought forward from some of the leaders such as special education with additional costs such as the science goggles and gloves and disinfectant products they gave out, and all of the devices that are out there for the students. She was referring to the Board of Ed non-lapsing fund balance and potential activity as this is relevant to the potential impact of the school closure. She also stated Mr. Bienkowski did an excellent job putting the BOE Non-Lapsing Fund Balance and Potential Activity report together and in taking all of what was brought forward in terms of potential and anticipated expenditures and savings. The question is out there of what the anticipated impact will be. It is difficult to say at this time.

Mr. Bienkowski stated he never has been faced with this type of projection that needed to be made. He thinks there are some real savings. Our budget was in a good position in our last February report and the most recent one we had a balance of \$291K. Some of that was from energy and the fact the schools are closed now there will be a lot more savings with energy. He said we also have to keep in mind that all of these savings could change if we open the schools back up. We don't know what expenses will be if staff comes back and schools reopen. There could be some significant balances and he went over all of the accounts where balances could offset the savings we currently are showing. He further stated it is hard to predict this precisely and at the next Board meeting the financial report for March will be presented which will include all of the details.

Mrs. Zukowski stated she is concerned when the students come back there is even a wider spread of preparedness than is normal. And she is wondering if the amount in the non-lapsing account includes help within the classroom to help the teachers' better handle the spread and to help the students get back on course as quickly as possible.

Mr. Bienkowski stated no, that a good portion of that is perceived as potential special education needs and expenses and perhaps expansion of summer school programs to address some of the additional shortcomings that students may have been experiencing. There is no full time permanent staff included in that number.

Dr. Rodrigue stated we talked about whether we needed something in that way and we don't know at this point. We felt very strongly we already had support staff already that supports students so it would likely be viewing this as there may be a longer period of review and support on the onset of a given year. Whenever the new year starts, we are anticipating to slow it down and start a little later in terms of new content. It isn't a matter of needing new staff but utilizing staff in new ways.

Mr. Delia stated he is worried that we are putting enough money aside for the students who will need help and forecasting the impact on children.

Dr. Rodrigue stated we did what we could in terms of special education and general and what we have left of the unreserved \$253K. After talking with principals, Assistant Superintendent and the Director of Teaching and Learning, we feel that it's not about adding staff but about how we approach with the staff we have. We have a large group of support personnel and their role might change a bit in terms of the number of children who need support from what they had before.

Mrs. Ku stated she wanted to say in reviewing this non-lapsing report she thought it was thoughtfully done and the way it was distributed and thanked Mr. Bienkowski.

Dr. Rodrigue stated we put this together at the time knowing that school might be back April 20th and now it is May 20th so this will have an impact moving forward as well.

Mrs. Zukowski wanted to recap that Mr. Bienkowski will provide a recommendation in terms of how to handle the Non-Lapsing account. Mr. Delia stated we will revisit this at the next CIP meeting.

Adjournment:

Mr. Delia asked for a motion to adjourn the meeting. Mrs. Zukowski moved to adjourn the meeting. Mrs. Leidlein second the motion. Motion passes and meeting was adjourned at 7:30pm.

Respectfully Submitted,
Joanne Morris

THESE ARE DRAFT MINUTES AND ARE SUBJECT TO THE APPROVAL OF THE BOE CIP/FACILITIES/FINANCE
SUB COMMITTEE

Newtown Board of Education Virtual Meeting
CIP/Facilities/Finance Sub-Committee Minutes
April 30, 2020, 5:00 p.m.

Call to Order: The BOE CIP Sub Committee meeting was called to order at 5:00 by Mr. Delia. There was no public participation.

Participants: Dan Delia, Ron Bienkowski, Debbie Leidlein, Lorrie Rodrigue, Michelle Ku, Robert Gerbert, Debbie Zukowski, Sandra Roussas

Item 1 Discussion and Possible Action of the Use of Non-Lapsing Funds for Hawley HVAC Engineering Costs

The Discussion centered on recommending to the Board of Education \$300,000 that is already in the Non-Lapsing fund for the engineering costs of the Hawley HVAC project.

The discussion began with the understanding of the appropriation process. Mr. Bienkowski stated that the funds have already been appropriated when the money was deposited into the non-lapsing account. Now all we are doing today is authorizing an expenditure from that account.

Ms. Roussas stated statutorily, once the Board of Finance approves the money to go into that account then it is the Board of Education's decision to approve the disbursement of those funds for educational purposes. It does not need to go through any approval process.

Ms. Ku stated she wanted to clarify that while the Statute does not require the Board of Finance to approve anything that the Board of Education is using the non-lapsing fund for once the money is in there. The process has always been that if the Board of Education has not designated a purpose for the money when it goes into the account, then the Board of Education goes to the Board of Finance to ask for the money to be removed for a specific purpose, and also asks for their endorsement. We are using the money for educational purposes with the input of the Board of Finance in the process.

Dr. Rodrigue stated she agrees with Mrs. Ku that there does not need to be any special caveat or condition to approve this in this way because this is the process that currently exists.

The BOE CIP Sub Committee recommends to the Board of Education that the Board approve the use of \$300,000 from the Non-Lapsing Fund Account for the Hawley HVAC Engineering Costs at the next Board meeting. All were in favor.

Item 2 Discussion of Policy Regarding the Non-Lapsing Fund

Mr. Delia stated one thing he wanted to discuss was policy 3160c, Removing Funds From the Non-Lapsing Educational Account (attached), and discuss the removal of funds from the non-lapsing educational account and how we forward requests of explanation of the use of the funds to the Board of Finance. Every time we use funds we have to request it from the Board of Finance.

Mrs. Zukowski questioned how the policy reads and that it does not state the word 'approval'. Mr. Delia stated that we are not here to write policy but we all work together and this is an important committee that is part of the process. He would be happy to recommend to the policy committee to take this up.

Ms. Roussas stated looking at the Non-Lapsing Account draft (attached) – she agrees with what was done in removing the one percent and replacing it with the percentage in referencing the Statue that keeps the policy current with changes at the State level. She wanted to discuss the addition of what the word 'planned' means. With the two categories of the budget plan and CIP plan she was not sure what other planning would be done so she was looking for clarification.

Mr. Bienkowski stated he was at the last policy meeting where they inserted the word 'planned' into the policy since several suggestions were made at the last meeting to be able to use the money for such examples as; COVID expenses, special education, athletic fields and Hawley HVAC. By inserting the word 'planned' into the policy it acknowledges the fact that there is a plan that exists and if the Board of Education has a plan in the future.

Ms. Roussas stated money that goes into the non-lapsing account is money that was already budgeted for as a spending plan. When it comes to voting on the budget, parents see this amount and they expect that amount is going to be spent on their children. She indicated it would be hard to create another plan for money that was voted on by the voters to be spent towards the annual education budget. That is an offset that is hard to overcome.

Mrs. Ku stated the budget and the CIP is a spending plan. The Non-Lapsing Fund is a revenue source. It is not a plan to spend necessarily other than what is in the budget or CIP plan. It is on the other side of the ledger.

Mrs. Leidlein stated we as the town Board of Education have agreed that we would be collaborative with other town boards and include them in this process but it is not required.

Dr. Rodrigue stated Mrs. Leidlein is correct and one of the things you see in that policy is it does not purposefully say 'approval' because it is more of a request, we put the funds in and go to the Board of Finance to let them know here is our plan for the use of those funds. The only thing that was in the policy that it really spoke to was emergencies. There is more thought put into what we want to use those funds for so that is why the word 'planned' was suggested.

Mrs. Leidlein asked could the Board of Finance or the Legislative Council refuse to grant the use of those funds for a project that the board of education determined how the Board wants to use those funds.

Mr. Bienkowski stated when you look at the way the statue is worded, the Board of Finance can't say 'we can't do that'. Unless we come to some type of agreement where we give them that authority. The Board of Finance could recommend that we don't use the money for a particular purpose but they can't say 'we can't let you use it for that purpose'.

Mrs. Zukowski said we have the option if we have an emergency we would have a shorter process but in doing so it means every possible withdrawal could end up having a shorter process and she is concerned if we do something like that it could cause further division amongst the different boards within the town.

Mrs. Leidlein said she is for working collaboratively and letting the other boards know this is our intension and this is what we want to use the money for. She asked what would the requirement be at each level and do the Boards have to approve it, does it go to a vote from the community?

Dr. Rodrigue asked the question to Ms. Roussas of prior when the Board of Education brought other projects forward was a vote taken?

Mrs. Roussas stated the Board of Finance did not deny any requests. She understands that the Board of Finance has to approve the depositing of what surplus goes into the Non-Lapsing Account and the Board of Education has the ability to spend it for educational purposes. Policy 3160c needs to be clear language in place with a matter of construction. As a Board of Education you can further refine that process.

Dr. Rodrigue stated she has been under the assumption that we go to the Board of Finance to request the removal of funds to be used for specific purpose. She does not know if we have to change the policy as it is a consistent alignment with State Statue.

Mr. Delia, Mrs. Leidlein and Dr. Rodrigue were in agreement that this was the process. The question is what happens if there is a no vote or opposition. Dr. Rodrigue stated we need clarity.

Mr. Delia stated he thinks it is important that we clarify the procedure so it is clear for everyone.

Mrs. Ku said everyone is saying the same thing and that Mr. Bienkowski is correct. The state statue as it is currently, does not require the Board of Ed to ask the Board of Finance permission to use funds out of the Non-Lapsing account and that has been the agreement since the account has been open. We need to be sure it is clarified if the Board of Finance says no you can't use those funds.

Dr. Rodrigue said the clarity needs to be around a formal approval or is it simply a request for the use of those funds with an explanation. That is really the only question.

Mr. Delia asked Ms. Roussas if the Board of Finance wants to know what our plans are for the Non-Lapsing Fund?

Mrs. Roussas said she does not know that they specifically discussed what the Board of Finance wanted to see in terms of information. She cannot speak to that as a Board. This does require a discussion at a Board of Finance meeting.

Mrs. Ku stated when you go back in history, the Non-lapsing fund was set up to have an education dedicated fund to be able to use for educations expenses. There has been a tradition for this account over the past 5 years. There's also been an idea of how the account should be used and we don't want to lose sight of that. If you look at the charter there is not a way for the Board of Education to make a request for a special appropriation. The Non-Lapsing account serves a very specific purpose.

Mr. Delia said this fund serves a purpose of being fiscally responsible. If we didn't have this fund and next year became a financial burden that would be something our community members would not want to see. We want to make sure we are doing everything we can for the children.

Ms. Roussas stated we are all in agreement with the account and that there should be money in the account. Only concern is money in the account being circumventing through the appropriation process that is already in place. We just have to be careful and respectful that this is taxpayer money.

Adjournment:

Mr. Delia asked for a motion to adjourn the meeting. Mrs. Zukowski moved to adjourn the meeting. Mrs. Leidlein second the motion. Motion passes and meeting was adjourned at 6pm.

Respectfully Submitted,
Joanne Morris

THESE ARE DRAFT MINUTES AND ARE SUBJECT TO THE APPROVAL OF THE BOE CIP/FACILITIES/FINANCE
SUB COMMITTEE

**NEWTOWN PUBLIC SCHOOLS
NEWTOWN, CONNECTICUT**

As of 5/21/2020

FY 2020 BUILDING & SITE MAINTENANCE PROJECTS -	Requested	Transfers	Actual	Remaining
<i>Acct # 001-90-094-0000-53501</i>				
<u>HAWLEY SCHOOL</u>				
NONE	\$ -			\$ -
	\$ -	\$ -	\$ -	\$ -
NONE	\$ -			\$ -
	\$ -	\$ -	\$ -	\$ -
<i>Acct # 001-90-094-0000-53503</i>				
<u>MIDDLE GATE SCHOOL</u>				
INSTALL HVAC IN GYM (TO BE BID, RESERVE FOR \$60,000)	\$ 45,000		\$ 107,690	\$ (62,690)
	\$ 45,000	\$ -	\$ 107,690	\$ (62,690)
<i>Acct # 001-90-094-0000-53504</i>				
<u>HEAD O'MEADOW SCHOOL</u>				
REMOVE SINKS/RETILE FLOOR/INSTALL SINGLE SINK SET	\$ 15,000		\$ 10,719	\$ 4,281
ADDITIONAL CARD READER	\$ -		\$ 3,161	\$ (3,161)
REPLACE 40 OLD CLASSROOM CURTAINS WITH SHADES	\$ -		\$ 7,801	\$ (7,801)
	\$ 15,000	\$ -	\$ 21,681	\$ (6,681)
<i>Acct # 001-90-094-0000-53505</i>				
<u>REED INTERMEDIATE SCHOOL</u>				
CARPET/FLOORING REPLACEMENT PROGRAM	\$ 20,000		\$ 17,545	\$ 2,455
REPLACE SHADES IN LIBRARY	\$ 12,000		\$ 2,516	\$ 9,484
INSTALL MULLIONS & EXIT DEVICES AT EXTERIOR DOORS	\$ 20,000		\$ 20,992	\$ (992)
	\$ 52,000	\$ -	\$ 41,053	\$ 10,947
<i>Acct # 001-90-094-0000-53506</i>				
<u>MIDDLE SCHOOL</u>				
INSTALL ACOUSTICAL CEILING AND LIGHTING IN LMC	\$ 26,000		\$ 18,390	\$ 7,610
CARPET/FLOORING REPLACEMENT PROGRAM	\$ 10,000		\$ 2,520	\$ 7,480
REPLACE MAIN ENTRY STAIR/RAMP/LOWER LANDING	\$ 35,000		\$ 26,970	\$ 8,030
INSTALL ACOUSTICAL CEILING IN ROOM D14 - Health	\$ 9,000		\$ 3,300	\$ 5,700
SIDEWALK / CURB REPAIRS	\$ 25,000		\$ 20,000	\$ 5,000
	\$ 105,000	\$ -	\$ 71,180	\$ 33,820

**NEWTOWN PUBLIC SCHOOLS
NEWTOWN, CONNECTICUT**

As of 5/21/2020

<u>FY 2020 BUILDING & SITE MAINTENANCE PROJECTS -</u>	<u>Requested</u>	<u>Transfers</u>	<u>Actual</u>	<u>Remaining</u>
<i>Acct # 001-90-094-0000-53507</i>				
<u>HIGH SCHOOL</u>				
REPAINT LOCKERS first floor B wing	\$ 15,000		\$ 3,736	\$ 11,264
REPLACE 1 SET EXTERIOR DOORS AT AUDITORIUM	\$ 6,700		\$ 6,416	\$ 284
REPLACE STAIR TREADS,RISERS,LANDINGS FRONT B STAIRWELL	\$ 15,000		\$ 11,855	\$ 3,145
CARPET/FLOORING MAIN ADMIN OFFICES/BAND/MUSIC/GUIDANCE	\$ 60,000		\$ 66,689	\$ (6,689)
SIDEWALK REPLACEMENTS FRONT & TO FIELD	\$ 25,000		\$ 26,127	\$ (1,127)
TRACK REPAIRS & FIELD REFRESH	\$ -		\$ 9,725	\$ (9,725)
	\$ 121,700	\$ -	\$ 124,548	\$ (2,848)
<i>Acct # 001-90-094-0000-53508</i>				
<u>SYSTEM WIDE</u>				
REPAVE LOT, DRIVE AND STAIRS AT WAREHOUSE LOADING AREA	\$ 25,000		\$ 26,400	\$ (1,400)
	\$ 25,000	\$ -	\$ 26,400	\$ (1,400)
TOTAL BUILDING & SITE MAINTENANCE PROJECTS	\$ 363,700	\$ -	\$ 392,551	\$ (28,851)

Middle Gate School – Gym Air Conditioning Project

Original Budget - \$45,000 (based on installing ductless split a/c units)

Revised design for two rooftop air conditioning units.

Project was out for bid in April 2020 with bid opening on April 23, 2020.

Received seven bids ranging from \$127,516 to \$212,400. Low bidder is Perfectemp from Plainville, CT.

Explored alternative options to reduce cost:

1. Trane via US Communities purchasing program.
Provided a bid price of \$126,823

2. Automated Building Systems (ABS) via CT DAS contract
Provided a bid price of \$107,690*

*ABS has proposed alternate scope to replace existing heating units in-kind with air conditioning.

Recommendation is to pursue Option 2 via ABS.

**NEWTOWN BOARD OF EDUCATION
SUMMARY - CAPITAL IMPROVEMENT PLAN
2021/22 TO 2025/26**

**For discussion by CIP/Finance
Subcommittee 5/27/2020**

INITIAL FIVE YEARS

CIP Item #	Location	Description of Project	Year 1	Year 2	Year 3	NO BONDING	Year 5	TOTALS
			2021/22	2022/23	2023/24	Year 4	2025/26	
10	Hawley Elem.	Purchase unsightly House/land adjacent to school (1.06 acres)					\$477,000	
1	Hawley Elem.	Ventilation, HVAC Renovations	\$4,199,720	\$0				
8	Hawley Elem.	Generator - 80KW <i>(whole school reduced to essential components only)</i>				\$0	\$250,000	\$4,926,720
9	Middle Gate Elem	Energy Project window modifications				\$0	\$1,000,000	\$1,000,000
6	Head O'Meadow	Boilers, water heater, VFD & pump replacements with LED lighting			\$1,057,532	\$0		\$1,057,532
3	Reed Intermediate	Install high efficiency gas boilers & LED lighting conversion		\$1,539,894	\$0			\$1,539,894
4	Middle School	Engineering for ventilation and A/C renovations		\$300,000	\$0			
5	Middle School	Ventilation, HVAC, Auditorium, Media center, replace rooftop units '98			\$3,782,228	\$0		\$4,082,228
2	High School	Replace/restore stadium turf field & track <i>(11th year)</i>	\$795,000	\$0				
7	High School	Create turf practice field rear of school					\$1,100,000	
-	High School	Rear Practice fields facilities and storage <i>(moved back one year)</i>					\$0	
-	High School	<i>Use of Non-Lapsing Fund as project cost offset</i>	\$0					
TOTAL COSTS OF ALL PROJECTS			\$4,994,720	\$1,839,894	\$4,839,761	\$0	\$2,827,000	\$14,501,375
TOTAL TO BE BONDED			\$4,994,720	\$1,839,894	\$4,839,761	\$0	\$2,827,000	\$14,501,375

Previous BOE approved CIP amounts (November 6, 2019)	\$4,712,000	\$1,752,730	\$4,565,812	\$2,000,000	\$2,504,000	\$15,534,542
Difference to previously approved plan	\$282,720	\$87,164	\$273,949	-\$2,000,000	\$323,000	-\$1,033,167

Eligibility for project inclusion on the CIP is that the cost must exceed \$200,000.
2017-18 Reimbursement rate 36.43%

Construction inflation estimate 6.0%

**NEWTOWN BOARD OF EDUCATION
SUMMARY - CAPITAL IMPROVEMENT PLAN
2026/27 TO 2030/31**

**For discussion by CIP/Finance
Subcommittee 5/27/2020**

SECOND FIVE YEARS

CIP Item #	Location	Description of Project	Year 6	Year 7	Year 8	NO BONDING	Year 10	TOTALS	
			2026/27	2027/28	2028/29	Year 9	2030/31		
	Hawley Elem.	Classroom renovations '21 section (ceilings, lighting, floors, etc.) Purchase unsightly House/land adjacent to school (1.06 acres) Repave entire parking lot, curbing, sidewalks Elevator to café	\$0 \$318,000	\$1,011,240 \$0	\$0 \$1,378,000		\$0	\$2,707,240	
	Sandy Hook							\$0	
	Middle Gate Elem	Repave entire parking lot, curbing, sidewalks Complete kitchen renovation Ventilation, HVAC Renovations		\$1,378,000	\$0 \$397,500		\$0	\$300,000 \$2,075,500	
	Head O'Meadow	Replace/update A/C Re roofing/restoration		\$2,696,640	\$6,179,800 \$0		\$0	\$8,876,440	
	Reed Intermediate	Repave entire parking lot, curbing, sidewalks Re roof entire building (solar remove & reinstall \$225K)	\$3,710,000	\$2,120,000 \$0	\$0			\$5,830,000	
	Middle School	Repave entire parking lot, curbing, sidewalks Window replacements (front of building) Library and science lab renovations Complete kitchen renovation	\$795,000	\$3,710,000 \$0	\$1,685,400 \$0		\$0	\$1,000,000 \$7,190,400	
	High School	Re roofing/restoration HVAC equipment replacements Athletic/Stadium field house and storage Rear Practice fields facilities and storage <i>(moved back one year)</i>	\$2,921,360 \$954,000 \$0	\$0 \$1,685,400	\$0		\$0 \$5,300,000	\$10,860,760	
TOTAL COSTS OF ALL PROJECTS			\$8,698,360	\$12,601,280	\$9,640,700		\$0	\$6,600,000	\$37,540,340
TOTAL TO BE BONDED			\$8,698,360	\$12,601,280	\$9,640,700		\$0	\$6,600,000	\$37,540,340

**NEWTOWN BOARD OF EDUCATION
SUMMARY - CAPITAL IMPROVEMENT PLAN
2021/22 TO 2025/26**

**For discussion by CIP/Finance
Subcommittee 5/27/2020**

Notes:

- 1 All projects (with four exceptions) have been moved forward by one year with a 6% construction inflation factor added to the previously approved plan.
- 2 HAW Generator cost has been reduced from \$1Million down to \$250,000 for a reduced capacity (not entire building).
- 3 Rear practice field facilities and storage was moved back for one year with the same estimated pricing.
- 4 MG HVAC renovations have been added to the second five years of the plan.
- 5 *The HOM gas line installation has been stricken as it is unlikely this would ever be a BOE expense.*
- 6 *The NHS fuel cell has been stricken as it would likely be funded by an incentive program, and space will be an issue.*
- 7 Year four of this plan represents last years year five for which the Town had decided that "No Bonding" would occur, those two projects moved to year five.
- 8 Year nine will represent the next five year of no bonding. The HS HVAC equipment replacement was consequently moved to year ten.
- 9 A \$0 represents where the project was in the Board's November 6, 2019 approved CIP.
- 10 A line has been added to the HS projects in consideration of proposing partial project funding by use of the Non-Lapsing Account.

Other considerations:

- A NHS rooftop HVAC - This can be a phased project, one wing per year. (HS has 6 wings, may be a tall order to get all done in one summer).
- B The large paving projects should include repair, replacement and upgrade of drainage pipes and catch basins.
- C NHS Natatorium (pool) renovation - floor tiles, lighting, pool equipment.
- D All schools - restroom renovations - tile, fixtures, piping, partitions.
- E Reed - school is coming on 20 years old, we should start thinking about HVAC equipment.

Verkada Security Camera SystemPayment Proposal for Consideration - May 11, 2020

The District Security Camera system was upgraded last year via a five year lease purchase arrangement.

The first installment was paid in June of the 2018-19 fiscal year.

The second installment will be due this June, of the 2019-20 fiscal year.

The three remaining installments will be due in each of the next three fiscal years, as detailed below.

There is no prepayment penalty and no interest forgiveness with prepayment.

<u>Payment Schedule</u>	<u>Due Date</u>	<u>Amount</u>	
2018-19 Invoice Date	6/20/2019	\$ 125,007.48	Paid - <i>(included a \$75.00 Documentation fee)</i>
2019-20 Due Date	6/20/2020	\$ 124,932.48	Included in this years' Operating Budget
2020-21 Due Date	6/20/2021	\$ 124,932.48	Included in next years' Operating Budget
2021-22 Due Date	6/20/2022	\$ 124,932.48	To be included in the 2021-22 proposed Operating Budget
2022-23 Due Date	6/20/2023	\$ 124,932.48	To be included in the 2022-23 proposed Operating Budget

Consideration, due to our current financial position, can be given to pre paying one, two or three of these future installments.

One year would remove the need to budget this amount for the 2022-23 budget.

Two years would remove the need to budget this amount for the 2021-2022 and 2022-23 budgets.

Three years would remove the need to budget this amount for the 2021-2022 and 2022-23 budgets and give the BOE the opportunity to reallocate the amount that is currently included in the 2020-21 approved Operating Budget.

Moving forward on any one of these options will reduce the current anticipated remaining expenditure balance by the amount selected. Such recommendation would need to go to the full BOE for approval.

Total amount for one year =	\$ 124,932.48
Total amount for two years =	\$ 249,864.96
Total amount for three years =	\$ 374,797.44

BOE Non-Lapsing Fund Balance and Activity

<u>Year</u>	<u>General Deposit</u>	<u>Reserved for Special Ed</u>	<u>Expense</u>	<u>Balance</u>	<u>Use</u>
2013-14 Deposit 6/30/14	\$47,185	\$0	(\$4,800)	\$42,385	Security Bollards
2014-15 Deposit 6/30/15	\$12,909	\$0	(\$4,950)	\$7,959	IR Scan - HS Roof Project
2015-16 Deposit 6/30/16	\$2,533	\$0	\$0	\$2,533	none
2016-17 Deposit 6/30/17	\$97,942	\$0	\$0	\$97,942	none
2017-18 Deposit 6/30/18	\$276,038	\$0	(\$235,295)	\$40,743	HAW, MS A/C, SHS Lightening
2018-19 Deposit 6/30/19	\$265,772	\$63,000	(\$300,000)	\$28,772	HAW HVAC Engineering
2019-20 Deposit 6/30/20	TBD	TBD	TBD		
6 Year Total Since Inception	\$702,379	\$63,000	(\$545,045)	\$220,334	0.28%
Average per year	\$117,063				
Amount to be reserved for Special Education				\$63,000	
Amount reserved for General Non-Lapsing				\$157,334	
Total Balance Non-Lapsing Fund				\$220,334	0.28%

Current Budget \$78,104,410 2% \$1,562,088

School Lunch – 2 Part Discussion:

By this time last year we would have had a detailed review of the lunch program, addressed a 25C price increase and recommended a contract for this year.

This year this train has fallen off the tracks. Current year operations have been suspended since March 12th.

The projection based on request to March present a \$70,427 loss for NSLP schools and a \$46,758 profit for the High School for a net combined loss of \$23,669.

Whitson's has agreed to honor their contractual obligation to provide \$7,319 as their fiscal year commitment thereby reducing this overall loss to a negative \$16,350. This will ultimately be booked against the overall fund balance. (That has no impact to our operational budget).

With regards to the FSMC contract for 2020-2022, the Board of Education will be required to approve a 4th year amendment for SDE approval prior to June 30th.

The amendment indicates that we wish to continue our contract with Whitsons, what the administrative and management fees are and what the guarantee or loss will be

The assumption is that lunch operations will continue as they have prior to the pandemic.

Other districts are proceeding in this fashion in order to secure a contractor for next year, with the understanding that the details will be worked out once we receive more guidance from the State Dept. of Child Nutrition.

While the amendment for the renewal delineates a loss of \$80,993 (NSLP) the High School is projecting a profit of \$45,43 for a net estimated position of negative \$35,558.

The Board of Education budget, recognizing this situation included \$10,000 in its budget as a subsidy. It will also reimburse the costs for free and reduced lunches estimated at \$25,000 for the High School.

While this action is not as comprehensive in detailing what will actually occur next year, it is necessary with the State to have a vendor in place.

The Board of Finance for the Town of Newtown established a Non-Lapsing Fund in accordance with Connecticut General Statutes 10-248a¹ on May 12, 2014 from the Board of Education's request. This fund has accepted year-end expenditure balances for each year since 2013-2014 when it was first established.

The Board of Education may designate all or part of any remaining (unaudited) expenditure balance for a given fiscal year to be allocated to the Non-Lapsing Account, subject to the approval of the Board of Finance. This shall occur annually after the Board of Education's books are closed each August.

The amount of the allocation cannot exceed the percentage of the total budgeted appropriation for education for such prior fiscal year as referenced in C.G.S. 10-248(A).

The amounts deposited to the fund shall not lapse at the end of each fiscal year and shall be able to accumulate without limitation. Unexpended amounts will remain in the account for use during the current and subsequent fiscal years.

Funds in the Non-Lapsing reserve may be expended at the sole discretion of the Board of Education for any of the following non-re-occurring expenses associated with maintaining the public schools in the Town of Newtown:

- a. Any Capital expenditures which have been previously approved in the five year Capital Improvement Plan
- b. Emergency conditions or replacements to capital items not previously included in the five year Capital Improvement Plan with a recommendation by the Board of Education
- c. Special Education expenses – segregated in a separate account, specifically for expenditures as enumerated in the March 20, 2018 resolution establishing a Special Education Contingency line.

¹ Sec. 10-248a Unexpended education funds account. For the fiscal year ending June 30, 2020, and each fiscal year thereafter, notwithstanding any provision of the general statutes or any special act, municipal charter, home rule ordinance or other ordinance, the board of finance in each town having a board of finance, the board of selectman in each town having no board of finance or the authority making appropriations for the school district for each town may deposit into a nonlapsing account any unexpended funds from the prior fiscal year from the budgeted appropriation for education for the town, provided (1) such deposited amount does not exceed two per cent of the total budgeted appropriation for education for such prior fiscal year, (2) each expenditure from such account shall be made only for educational purposes, and (3) each such expenditure shall be authorized by the local board of education for such town.

d. Any unbudgeted expenses that become necessary due to unforeseen conditions or situations that are required for the health and safety of all students and personnel, including the community at large. Such conditions may include the following priorities: (This should not be construed as a limiting list)

1. Uninsured or excluded property damages, claims, or deductibles
2. Long term building and facilities upgrades
3. Uncovered legal settlement costs
4. Safety and security measures (Immediate or desired)
5. Pandemic or health related threats, (viruses, food borne illness, etc.)
6. Contamination expenses and or cleanups
7. Medical benefits (transfer to self-insurance), pensions or OPEB reserves
8. Technology infrastructure failure, hacking, ransom, etc.
9. One time non reoccurring expense payoffs (leases, assessments)
10. New or innovative program development
11. Professional studies, reviews, engineering, safety, etc.
12. Storm cleanup and or repairs to buildings and property
13. Expenditures of a larger nature that only happen occasionally and have longer term benefits
14. Local funding match requirements for competitive grants
15. General budget shortfalls
16. Other unknown events (at this time)
- 17.

The Board of Education must approve any expenditures from this Non-Lapsing reserve fund. The Board of Education also reserves the right to expend such funds for other purposes, given that priorities may change over time.

The fund should not be used to offset operating costs that are normally included in the Board of Education's annual operations plan. (Electricity, insurance, personnel, etc.)

This reserve fund balance comes from an appropriation that was approved by the voters (Taxpayers) for educational purposes. That being the intent, it should be used for such. It should not be a consideration for other Boards, bodies or groups to request that it be used for other than what the Board of Education priorities are. It should also not be considered a source for budget reduction during the budget development process.

The Board of Education will advise the Board of Finance whenever it votes affirmatively to use any funds in this account and what its intended purpose is, and also secure their approval before any expenditures are made or planned. It will always be the Board of Education's intent to have public, properly noticed discussions regarding any proposed uses of the Non Lapsing Account (Reserve) balance.

**Resolution establishing Special Education Contingency Line approved by BOE on
March 20, 2018**

WHEREAS, The Board of Education has included a line item in the budget for Special Education Contingency; and

WHEREAS, The Board of Education recognizes that guidelines for the use of such monies should be specified; and

WHEREAS, The Board of Education policy for the Non-lapsing Education Fund, P3171.1, addresses the education non-lapsing account without addressing Special Education Contingency; therefore be it

RESOLVED, That the Special Education Contingency line item be used for unforeseen Special Education expenses that may result from students moving into the district, from court placements, from DCYS, from mediated settlements, and changes to IEP's; and be it further

RESOLVED, That the Special Education Contingency line item be used to cover additional costs that are expected to exceed the Special Education budget in total; and be it further;

RESOLVED, That the Special Education Contingency line item be available for expense overages as presented to the BOE; for tuition, transportation, teachers, paraeducators, BT's, BCBA, professional services, specialized services, equipment, supplies and materials, or any other expenses required by a student's IEP; and be it further

RESOLVED, That this line item only be used for Special Education purposes for expenditures so noted above; and be it further

RESOLVED, That the Board of Education request of the Board of Finance that any balance in the Special Education Contingency line at the end of the fiscal year be deposited in the non-lapsing education fund and be designated for Special Education purposes, and that these monies retain the Special Education designation within the account; and be it further

RESOLVED, That prior to any expenditure from the non-lapsing account, the Board of Education will vote to authorize such spending, and the Board will expend these funds for such previously designated purpose except under extraordinary or emergency circumstances.

Business/Non-Instructional Operations

Budget Procedures and Line Item Transfers

In accordance with Connecticut General Statutes §10-222, the Newtown Board of Education shall prepare an itemized estimate of its budget each year for submission to the Board of Finance and the Legislative Council for review and appropriation. Such budget estimate shall include, but is not limited to, the following major object line item categories:

- 100 - Salaries
- 200 - Employee Benefits
- 300 - Purchased Professional Services
- 400 - Purchased Property Services
- 500 - Other Purchased Services
- 600 - Supplies
- 700 - Property
- 800 - Other

Following the annual appropriation, the Board of Education shall meet and revise such itemized estimate, if necessary, and adopt a final appropriated budget for the year. Line items in the budget may be allocated more specifically by the Superintendent or his/her designee in the development, administration and monitoring of the budget after the initial approval of the budget by the Board of Education. The Superintendent shall present for Board approval any proposed additional staff that exceeds the staffing summary approved concurrent with the fiscal year budget. Hiring of additional staff that would be legally mandated will be brought to the Board for approval at the next scheduled Board meeting if all attempts for the Board of Education to meet prior to the hiring are unsuccessful.

The Superintendent and/or his/her designee shall be responsible for administering and monitoring the budget through the course of the year. The Superintendent or his/her designee shall maintain a system of appropriate expenditures and encumbrance accounting that is organized to conform to the requirements for State and Federal accounting reports. A monthly budget report shall be prepared in the same format as the annual object detail budget (as a minimum), showing for each major object code line item, the appropriated budget amount, transfers, expenditure to date, encumbered amounts, and current balance.

Such budget report shall be presented to the Board of Education at the regularly scheduled meeting in the month following the period for which such report is prepared, except the year-end report which shall be completed and presented by the end of August. The year-end report shall reflect all major object codes in positive balance. The Superintendent or designee shall recommend to the Board of Education and the Board shall approve transfers from one major object code to another.

Business/Non-Instructional Operations

Budget Procedures and Line Item Transfers (continued)

Any movement by the Board to expend funds that would otherwise render a major object code in a negative balance shall be preceded by a Motion to Transfer Funds between major object codes to maintain a positive balance in the account from which the funds will be expended. However, this action would not take place if there were expected incoming supplemental funds recognized by the Board.

For effective and efficient administration of day-to-day operations, budget transfer authority is granted to the Superintendent or the Director of Business, as his/her designee, under the following restrictions:

No transfers within major object codes, whether individual or cumulative, of \$10,000 or more shall be made unless authorized by the Board.

If the emergency transfer of \$50,000 or less is needed and the Board is unable to meet in advance, the Board will take action at its next regularly scheduled meeting. In addition, all transfers within an object summary category under \$10,000 will also be approved at the next meeting.

The Board of Education shall not expend more than the amount of the total appropriation and the amount of money received from other sources for school purposes. If any occasion arises whereby additional funds are needed by the Board of Education, the Chairperson of the Board of Education shall notify the Board of Finance, Board of Selectman, or appropriating authority and submit a request for such necessary additional funds. No additional funds shall be expended until such supplemental appropriation is granted and no supplemental expenditures shall be made in excess of those so authorized.

Adding Funds to the Non-Lapsing Educational Account

1. Each year, before August 31st, the Newtown Public Schools Director of Business will recommend to the Board an unexpended amount consistent with the Connecticut Statute 10-248a not to exceed 1% of the previous year's budgeted education appropriation to be placed into the non-lapsing education account.
2. Each year, before August 31st, the Board will forward a request to transfer unexpended funds from the previous year's budgeted education appropriation, to the non-lapsing education account. The transfer request will include each account number and the amount to be transferred. If known, the specific use for the funds will be communicated.

Business/Non-Instructional Operations

Budget Procedures and Line Item Transfers (continued)

Removing Funds from the Non-Lapsing Educational Account

The Board will vote to forward a request and explanation to the Board of Finance for use of funds from the Non-Lapsing Education Account. Consistent with the Connecticut Statute 10-248a, the use can be for any educational purpose. If appropriate, this request will also include a financial impact sheet.

Legal Reference: Connecticut General Statutes

10-222 Appropriations and budget. (as amended by PA 13-60, An Act Concerning the Consolidation of Non-Educational Services)

Charter, Town of Newtown, 2008, P. 28

Policy adopted: April 4, 2017

NEWTOWN PUBLIC SCHOOLS
Newtown, Connecticut

DRAFT

Business and Non-Instructional Operations**Non-Lapsing Education Fund**

The Newtown Board of Education (Board) may request the Town's Board of Finance deposit into a non-lapsing account any unexpended funds from the Board's prior fiscal year general operating budget, provided such amount does not exceed ~~one percent (1%)~~ ~~the percentage~~ of the total budgeted appropriation for education for such prior fiscal year ~~pursuant to~~ ~~as referenced in~~ C.G.S. 10-248a.

Prior to any expenditure from the Non-Lapsing Education Fund the Board of Education shall vote to authorize such spending. The transfer of monies shall follow the process as laid out in policy 3160 (Budget Procedures and Line Item Transfers).

The Board may designate these funds for a specific purpose. The Board will expend these funds for such previously designated specific purpose except that they may also be used for other ~~planned~~, extraordinary or emergency expenditures which may be necessary but not otherwise budgeted.

The account shall be subject to the annual audit as required by State statute. The Board shall review the fund balance on an annual basis.

(cf. 3160 – Budget Procedures and Line Item Transfers)

Legal Reference: Connecticut General Statutes
10-222 Appropriations and budget 10-248a
Unexpended education funds account

Policy adopted: April 4, 2017
NEWTOWN PUBLIC SCHOOLS, Newtown, Connecticut

What follows are my attempts at making sense of some issues about the BoE Non-Lapsing Fund that we've begun to talk about this year in the CIP/Facilities/Finance meetings. As this is being written in isolation, the options listed should be considered possible "seeds," to be refined, removed, or added to during our meetings. Hopefully, we will have productive conversations and, if desired, we can update this document for distribution to the full board membership when presenting our findings.

Recently, questions have been asked, both within the BoE and among members of other boards, about the purpose and use of the BoE Non-Lapsing Fund (hereinafter called "The Fund"). The CIP/Facilities/Finance Committee has determined that the purpose of and practices related to The Fund warrant a closer review and hopes to present to the full membership of the BoE a plan that they agree meets the goals of the BoE while also constructively addressing the questions that other town leaders may have.

Meanwhile, the district finds itself in an extraordinary position resulting from the COVID-19 pandemic. This year, the estimated year-end balance left over from the budgeted appropriation has two components. The first is unused funds from the typical operational costs associated with running the school district. The second is unused funds because of the closure of the schools in response to the state-wide COVID-19 shutdown. The estimated budget balances are roughly \$300,000 for the former and \$950,000 for the latter. At this time, there is a proposal on the table to request that both components roll into The Fund, though the bulk of the COVID-19 balance is expected to be used both for educational recovery purposes (social/emotional support, instruction, student/staff physical welfare, etc.) and for more extenuating uses, e.g., to offset tax increases that would be incurred by near term BoE CIP requests.

As mentioned in a prior regular BoE meeting, I believe there are two separate conversations we should have. First, we should understand alternatives for using some of the COVID-19 balance, both to ensure district recovery from the pandemic and to assist the broader Newtown community, specifically by helping to reduce the overall tax burden in these extreme times. Second we need to ensure that, in more ordinary times, the overall purpose for The Fund is well articulated and its management provides a flexible way to address the general (i.e., normal/routine) operational challenges faced by the district.

COVID-19 Balance

There are (at least) three high-level ways we could disburse the COVID-19 balance:

1) All of the COVID-19 balance gets fully rolled into The Fund and categorized as unreserved.

Points to Ponder:

- The funds were allocated to the BoE for educational purposes by the taxpayers and would remain within the administrative authority of the BoE, possibly pending BoF approval, to use for any such purpose within the scope of the Non-Lapsing Fund.
- The proposed plan discussed at our last regular meeting and provided to the BoF on Apr. 23 suggests using \$650,000 of unreserved funds to offset the tax burden on Newtown taxpayers along with \$250,000 for educational purposes resulting from the shutdown. In doing this, the purpose of the Non-Lapsing Fund, at least for this extraordinary year, has been extended to be used in a way that complements the CIP process, potentially setting a precedent that may or may not benefit the district in the long term.
- More??

2) The Town (via the BoF) decides to transfer all of the COVID-19 balance into the Town’s Unassigned General Fund.

Points to Ponder:

- Money that was allocated for educational purposes reverts to the Town.
- The Town can use money as it deems prudent to help address the impact of COVID-19.
- BoE access to such money then requires a more time-consuming process to access.
- More??

3) Hybrid+ Approach - The BoE, with BoF approval, rolls a portion of the COVID-19 balance needed to cover pandemic-related educational expenses into The Fund, but earmarked as COVID-19 Recovery (e.g.), and transfers the rest to the Town’s Unassigned General Fund. When the district has fully recovered from this extraordinary event the BoE, with BoF approval, will designate any remaining funds back to the nonreserved category.

Points to Ponder:

- The BoE would have more direct administrative access to funds for expenses resulting from COVID-19.
- The expenses, overall, needed for the district to recover from the pandemic may not be known a priori. Having as much money as makes sense on hand while recovering could help reduce the impact on normal educational operations.
- The purpose and management of the The Fund can more easily be discussed independently of the very unusual events that resulted in a higher than normal end-of-year balance.
- More??

(Normal) Non-Lapsing Fund Purpose and Use

According to the information provided in the April 9, 2020 meeting of the CIP/Facilities/Finance Committee, the amended statute establishing a non-lapsing account reads:

Sec 10-248a. Unexpended educational funds account. For the fiscal year ending June 30, 2020, and each fiscal year thereafter, notwithstanding any provision of the general statutes or any special act, municipal charter, home rule ordinance or other ordinance, the board of finance in each town having a board of finance, the board of selectman [sic] in each town having no board of finance or the authority making appropriations for the school district for each town may deposit into a nonlapsing account any unexpended funds from the prior fiscal year from the budgeted appropriation for education for the town, provided (1) such deposited amount does not exceed two percent of the total budgeted appropriation for education for such prior fiscal year, (2) each expenditure from such account shall be made only for educational purposes, and (3) each such expenditure shall be authorized by the local board of education for such town.¹

Per BoE Chair Dr. Ku, a motivation for Statute 10-248a was to provide districts with an alternative method to manage the year-end fund balance. In allowing the BoE to create a non-lapsing account (The Fund), the state legislature provided a mechanism for funds previously appropriated and funded by the taxpayers to be available to the BoE for educational purposes. The BoE plans to update Policy 3171.1

¹ This was hand-typed, so may contain typos.

regarding the Non-Lapsing Education Fund. (Note that some of the practices may be reflected in the policy's companion administrative regulations.)

In general, The Fund could be a tool to help the district with known but unpredictable expenses, and would also serve as a mechanism to reduce overall expenses related to BoE capital projects. Some of the known, but unpredictable, expenses include:

Special Education

According to information provided by Dr. Ku to the BoF on Feb. 6, 2020, expenditures as provided in the approved budgeted and actual costs for special-education related items rarely match, noting a deficit of more than \$430,000 per year, on average, over the prior 8 years. (The average deficit for a 5-year average is over \$550,000 while the 3-year average is over \$415,000.)

Currently, the BoE has a budgeted item of \$100,000 per year that, if unspent, moves into a non-lapsing account reserved for special education. This is the only way to specifically increase the funds reserved for special education and so has difficulty reliably providing the \$400,000+ shortfall for special education funding. If we hope to create a special education budget that is fully, and only, based on current special education expected expenses we need to address the following questions:

- Are there other methods to create a reliable a funding mechanism to offset the unpredictability of special education expenses that also allows some flexibility in accessing the funds (as a backup) in the case of unforeseen emergencies?
- If the funds get depleted in a year due to a very high unanticipated special education costs, what are ways it can be replenished so that a reasonable amount is available for the following fiscal year? Is it legal/reasonable to replenish the account from, e.g., the Unassigned Fund Balance? What would that process look like?
- More??

Emergencies

Currently (from what I understand) the budget includes an account for Building & Site Maintenance and another for Building & Site Emergency Repairs. The practice has been to use the funds available provided for maintenance for any overages incurred by emergency repairs. This practice could lead to previously planned maintenance being pushed back by a year, possibly causing a disruption to an overall maintenance plan. However, the current practice gives the district administrative direct control over addressing emergencies. In the past, larger-scale emergencies (like the Reed oil spill) were paid by both budgeted BoE funds and the Town's unassigned General Fund. The use of budgeted BoE funds (again, from what I understand) had a noticeable impact on accounts throughout the budget. If the Non-Lapsing fund is used to address emergencies that exceed funds available in the operation budget, we need to address the following questions:

- Is access to the funds an issue? If so, is there a way to allow the BoE to have direct administrative access to the funds?
- More??

Other Examples??