

MINUTES  
REGIONAL SCHOOL DISTRICT #10  
BOARD OF EDUCATION  
PUBLIC HEARING  
FEBRUARY 24, 2011  
THE LEARNING CENTER

APPROVED

Members Present:

Joseph Arcuri  
Jeanne Doerr  
Beth Duffy  
Paul Omichinski  
Phil Penn  
Raymond Sikora  
Elaine Schiavone

Absent:

Noel Turner  
Kathy Deprey  
Ted Scheidel

Also Present: Alan Beitman - Superintendent of Schools  
David Lenihan - Business Manager  
David Fortin - Supervisor of Buildings and Grounds

- I. Call to order – The District budget hearing was held in The Har-Bur Middle School Learning Center and was called to order at 7:03 pm by Chairperson Joseph Arcuri.
- II. Pledge of Allegiance – The Pledge was recited.
- III. Election of Moderator – A **motion** to nominate Mr. Paul Omichinski as the meeting moderator was made by Mrs. Duffy was seconded by Mr. Penn. No other nominations were made. All in favor none opposed. Motion carries. (6/0/0)  
  
A **motion** to nominate Ms. Mary Spitz as recording secretary for the meeting was made by Mrs. Duffy and was seconded by Ms. Schiavone. No other nominations were made. All in favor none opposed. Motion carries. (6/0/0)
- IV. Ms. Spitz read the call of the meeting and provided proof of its publication in The Hartford Courant on February 18, 2011 and of its posting in the town halls of Burlington and Harwinton, Connecticut on February 17, 2011.
- V. Mr. David Fortin, Supervisor of Building and Grounds, and Mr. David Lenihan, Business Manager, presented a Power Point presentation detailing the need for the roof replacements and the financial implications.

Following is the Cost Summary that was presented:

|                       | HCS       | LAKE GARDA | TOTAL       |
|-----------------------|-----------|------------|-------------|
| Roof Project          | 1,540,000 | 1,015,000  | 2,555,000   |
| Demolition of Modular | N/A       | 20,000     | 20,000      |
| TOTAL                 | 1,540,000 | 1,035,000  | 2,575,000   |
| State Reimbursement   | (765,000) | (505,000)  | (1,270,000) |
| Net Cost to Towns     | 775,000   | 530,000    | 1,305,000   |

Following are the Tax Implications that were presented:

| TOWN       | Property Value | Property Assessment | Average Annual Tax Increase* |
|------------|----------------|---------------------|------------------------------|
| BURLINGTON | \$150,000      | \$105,000           | \$11                         |
|            | \$250,000      | \$175,000           | \$18                         |
|            | \$350,000      | \$245,000           | \$24                         |
| HARWINTON  | \$150,000      | \$105,000           | \$9                          |
|            | \$250,000      | \$175,000           | \$15                         |
|            | \$350,000      | \$245,000           | \$21                         |

\*Based on current grand list, mill rate, and interest rate assumptions.

Mr. Beitman explained that we do not expect the cost estimates to change much because we expect the project would begin soon. The anticipated start date of 6/22/11 and the anticipated completion date is 8/30/11 assuming that the referendum to appropriate and fund the projects are passed at the referendum on March 29, 2011. He further indicated that if the referendum is not successful, the projects would be postponed at least until the summer of 2012.

Mr. Penn commented that with regard to the financing of the project through bonding there is some talk among some Board of Finance members that Region 10 would be better off drawing money from reserve funds to pay for the project. He asked for Mr. Lenihan's opinion on this.

Mr. Lenihan discussed the current fund balance for Regional School District #10. He indicated that Region 10 is a legal entity in and of itself and its unrestricted fund balance stands on its own. He also reported that, based on several discussion and meetings he had with the bond rating companies of Moody's and Standard and Poor's, that they look at Region 10's unrestricted fund balance separately and that they look for a range between 5% and 10% of revenues for an adequate fund balance. In addition, Mr. Lenihan reported that the auditors have confirmed this each year and that they also indicated that unrestricted fund balance should be between 5% and 10%. Region 10's current fund balance as of June 30, 2010 is approximately \$1,200,000 or 3.6%. Mr. Lenihan also reported that further reductions in fund balance are expected due to a shortfall in state transportation revenues. He went on to report that bonding does have a cost, although, he is recommending the bonding scenario of 15 years at an interest rate estimated at 4.75%. The roofs in question are 25-year assets. Therefore, in Mr. Lenihan's opinion, it is appropriate to finance these assets over 15 years. The expectation is that as old debt is paid off and new debt is factored in, there will be limited impact on the debt service over the foreseeable future. With respect to the question of borrowing from fund balance, Mr. Lenihan reported that this would create spikes in the budget over the next 3 to 5 years

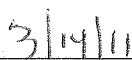
anywhere from .75% to 1.25% of the budget. This would also result in permanent reductions in Region 10's fund balance that would impact negatively future bond ratings resulting in increased future borrowing costs.

A **motion** to adjourn the public hearing was made by Mr. Penn and was seconded by Mr. Sikora. All in favor none opposed. Motion carries. (6/0/0)

The meeting ended at 7:52 pm

Respectfully submitted,

  
\_\_\_\_\_  
Jeanné Doerr

  
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Date