

Budget Committee  
Minutes  
February 4, 2014

Present: R. Barnes, T. Beard, J. Burk, B. Cummings C. Guagliumi, G. Krupp, C. Lang, C. Skarda and School Board liaison A. Schneider

Excused: S. Heinrich, V. Pellegrino

Absent: L. Mooney, A. Nelson

Also present: Superintendent M. Chiafery, Assistant Superintendent Dr. M. McLaughlin, School Business Administrator M. Shevenell and Maintenance Director T. Touseau

C. Guagliumi called the meeting to order at 7:00 PM and led those present in the Pledge of Allegiance.

**Public Participation I**

There was no public participation

**Warrant Article Review**

C. Guagliumi told the Committee that currently there are two articles on the warrant that involve money and thus require a Budget Committee recommendation. She said one of them is the operating budget and she asked M. Shevenell to present the other to the Committee.

M. Shevenell and T. Touseau told the Committee that Warrant Article 3 converts the Masticola complex, the high school and the Maintenance building to gas. He said this would be done through a 4-year lease-purchase agreement which had an escape clause and that the warrant article would only require a simple majority to pass.

M. Shevenell said that converting these areas to gas was discussed as part of the Honeywell energy retrofit project, but that the gas company was resistant to the project. He indicated the District would save between \$12,000 and \$13,000 in interest by taking a 4-year lease.

T. Touseau told the Committee that the project involves removing a total of 9 oil burners and piping all of which are over 20 years old as well as removal of some underground oil tanks at the Masticola complex. He also told the Committee, if not removed, these underground tanks have to be double walled by 2015, which could cost about \$50,000.

M. Shevenell told the Committee that the plan is to have the work substantially complete in time for the opening of school in the fall and that the areas around the school will be safe and available for July 4<sup>th</sup>

Discussion included the following

- The escape clause may be explained at deliberative session and will be explained in the voter's guide.
- Leases with escape clauses are common.
- The oil burners and underground tanks are tested annually.

- Burners have a life expectancy of about 25 years. Boilers often last as long as 40 years.
- The pay back period for a 4-year lease is about 4.4 years. For a 5-year lease, the pay back is 4.7 years.
- The district will be able to “bid out” gas to get the cheapest price and they won’t have to buy from the vendor (Liberty) who does the conversion project.
- Oil is less expensive than gas and readily available.
- The biggest risk is that the District will have is deficient gas pressure which the vendor will be contractually obligated to correct.
- The SAU and Special Services offices are not included in the conversion. Further, the gas line will run very close to the site proposed for the new SAU office building.
- The line for the high school/maintenance office will come up Woodbury Street. The Masticola complex will get gas from a line is on Baboosic Lake Road.
- The District will have a contract with Honeywell guaranteeing savings. If the savings doesn’t match or exceed the lease payment, Honeywell will pay the District the difference.
- There will be a penalty, probably financial, written into the contract if the project is not completed in time for school to open. However, should the project be substantially complete, it is likely school will start as scheduled.
- Should this warrant article fail, the operating budget includes funds to maintain, inspect and repair the current system.

G. Krupp made a MOTION to recommend Warrant Article 3: Gas Conversion. Second: B. Cummings. MOTION PASSED: 9 – 0 – 0.

### **Other**

C. Guagliumi reported to the Committee that she had talked with the Town Media Services Director, Nick Lavallee. He told her usually public meetings are available on the website by 1 PM the day after the meeting. He also told her that meetings are recorded at a volume for cable presentation, not Internet. (C. Skarda left the meeting at this time.)

C. Lang asked for information about the District’s Capital Reserve Funds (CRFs.) M. Shevenell reported that the roofing and asbestos CRFs still exist, but are basically depleted. He indicated there is approximately \$364,000 in the Special Education CRF and \$100,000 in the Emergency Repair CRF.

C. Guagliumi reported that the School Board discussion and decision on the roof repair funds in the current budget was on May 6<sup>th</sup> and that the minutes were available on-line.

### **Budget Committee Work Session**

C. Guagliumi asked if any member had any changes they wanted to propose to the operating budget.

No one did.

### **Public Participation I**

There was no public participation

**Next Meeting**

C. Guagliumi told the Committee that the next meeting was scheduled for February 11<sup>th</sup>. She indicated the meeting would start at 7 PM at which time the Committee would approve minutes and discuss monied petition warrant articles, if any are delivered. She indicated the Public Hearing would start at 7:30 PM and that after the Public Hearing, the Committee would make final recommendations on warrant articles.

G. Krupp made a MOTION to adjourn. Second: T. Beard. MOTION PASSED unanimously.

C. Guagliumi adjourned the meeting at 8 P.M.

Respectfully submitted,

Pat Heinrich