

**OFFICE OF THE SUPERINTENDENT OF SCHOOLS
106 Hancock Rd.
Peterborough, New Hampshire**

CONTOOCCOOK VALLEY SCHOOL DISTRICT

BUDGET & PROPERTY COMMITTEE

Tuesday, December 13, 2022

6:00 p.m.

Physical Location: SAU Board Room

Minutes

Committee Members:

- Richard Dunning
- Alan Edelkind
- Jim Fredrickson, Chairman
- Katherine Heck
- Greg Kriebel

Present: Richard Dunning, Alan Edelkind, Jim Fredrickson, Katherine Heck, Greg Kriebel, Janine Lesser, Tim Grossi, Lori Schmidt, Andrew Manns, Tori Harling-Smith

1. Call meeting to Order

Jim Fredrickson called the meeting to order at 6:00 p.m.

2. Approval of November 8, 2022 Minutes

Dick Dunning moved to approve the minutes of November 8, 2022. Alan Edelkind seconded. Unanimous.

3. Trust Funds

- Trustees

Andrew Manns, Chair of Trustee of Trust Funds for Peterborough, reported that \$5.7M is in trust funds. Guidance is needed to invest funds to increase income. In the past, fees were higher than the income generated.

A quarterly statement was referenced. \$2.6M has been invested in securities which is generating \$63K income annually. The trustees would like to invest more to generate greater income. Parameters on investment will be given to the investment managers.

Of the \$5.7M, guidance on how this money will be spent is asked to develop a timeline.

Katherine Heck asked if the guidance document is available. Mr. Manns said that the trustees need to know how and when the funds will be spent.

Katherine Heck said that the preservation of principal would be a concern for the district. Seeing the investment policy will help the district determine what investment options are available.

Mr. Manns said that they are fixed income and are held to maturity. There are no losses. There are only losses if they are traded. We don't want to hold the money in cash because money is being lost.

Jim Fredrickson referenced the Capital Improvement Plan (CIP) which identifies how the expense will be funded. The transfers are synchronized with the CIP.

Tori Harling-Smith asked where it states "TBD", how likely is that to convert to trust funds. Unknown.

Andrew Manns suggested if there is \$5.7M that more be invested into fixed income. There is enough of a balance to support what is proposed from trust funds.

Greg Kriebel asked if there was any reason that \$3M should not be invested.

Mr. Manns said that there are very strict guidelines on how funds can be invested. It is all liquid.

Katherine Heck asked about the MS9. A copy is not in our annual report and the Town of Peterborough does not include ConVal's in theirs.

Jim Fredrickson asked the Trustees if this allows them to be a little more aggressive in investing. Mr. Manns said that there will be higher income than the amount of the fees charged.

Is there a timeline to notify the Trustees about purchase intentions? Twelve months is helpful.

- Warrant Article Recommendations

Special Education Trust - Do not need to put money in.

Health Maintenance Trust - Suggestion is \$25K

Equipment Trust - Suggestion is \$25K

Energy Project Trust - \$125K

A historical Trust Fund Summary was shared from FY' 14-15 to the present.

The Capital Reserve Trust target is \$1M - if \$500K was deposited it brings the balance closer to the amount to complete work on the high school parking lot.

Tim Grossi provided an update on the CVHS parking lot. A document to quote will be available in early February.

Jim Fredrickson said that it is not the plan to propose a parking lot warrant article.

What is the order of prioritization for trust fund warrant articles?

Greg Kriebel said that \$500K Building and \$250 Building split similar to last year should be considered.

Tim Grossi suggested putting the \$125 Energy Trust first to share the message that we are serious about it.

Katherine Heck said that we are now able to retain fund balance and that will come off first.

Dick Dunning said that the parking lot should be the first concern. Then energy and \$75K technology. Equipment in the amount of \$25K, Building Capital at \$250K and Health Maintenance at \$25K totaling \$1M.

Retaining funds, funding trust funds, and returning funds to the taxpayers should be the order.

Katherine Heck said that avoiding the dips and rises is important for taxpayers. Understanding what the fund balance is before the close of the fiscal year impacts. We have to be smarter about how we use fund balance.

4. High School/Middle School Renovation – Building Committee

Tim Grossi signed a contract with a purchase order on it. Tim reported that a timeline is underway.

The Building Committee needs a member of the public on it.

Dick Dunning recommended Bob Edwards.

Jim Fredrickson agreed to contact Mr. Edwards. Kimberly Saunders, Tim Grossi, Lori Schmidt, Principals, 3 board members, Jen Kiley, and the rep from the architect (Lance W.).

Tim will find out what time they want to meet. A timeline will be built from there.

Jim Fredrickson suggested that Alan Edelkind invite the architects and building committee at the next community forum.

5. Financial Policies/Procedures

Katherine Heck said that current bidding policy requires us to at \$15K to get a sealed bid for contracts. A sealed bid is required to be opened by the board. We have never opened a sealed bid. If you are not about to follow policy it should be tossed.

DAF - Federal Fund Policy and federal guidelines require sealed bids at \$250K.

DJE - Bidding Requirements should be aligned to the federal requirements. We are asking the board to consider contracts less than \$250K to have three quotes. Over \$250K will come to the board in a sealed envelope and opened as a board. This would move from \$15K to \$250K.

DJB Purchasing Procedures - different dollar thresholds were reviewed. Having procedures in place will allow everyone to do their work. Different requirements exist with special circumstances e.g. engineering studies.

Anything under \$10K is considered a micro purchase.

Dick Dunning moved to make a recommendation for DJE and DJB. Greg Kriebel seconded the motion. The Budget & Property Committee was in favor of moving those forward to the Policy Committee; unanimous.

DBC - Budget preparation -R (procedure) sets forward better guidelines. It formalizes current practices. A budget cap would have to be communicated by September 1st. to the Superintendent. Lori Schmidt said that this puts practices into a formal document.

Dick Dunning moved DBC-R to policy. Greg Kriebel seconded. Unanimous.

6. Status Updates

- FY'24 Budget/Capital Improvement Plans

- SKIP

Janine Lesser reported that a letter was received from our legal and it was sent to SKIP. A December 15th deadline to let Mr. Grossi know was set. SKIP legal reports that they can't do anything until January. Janine Lesser will forward SKIP response letter.

Multi-year contracts cannot be "upheld" unless solidified by the voters. This goes for any multi-year contract unless it is a warrant article.

The SKIP letter needs review by legal.

- ConVal High School Parking Lot

Signed contract received, lining up evaluation and site assessment. Quote anticipated after site evaluation. Engineering Design will result and will go out to bid to five different contractors in January/February.

Any ballpark on what parking lot might cost? \$1.5M was estimated.

\$1.3 in trust fund is potential for parking lot.

Fund retention is not a "slush" fund. It is for emergency purposes e.g. fuel, broken boiler etc. Discussion ensued.

- Safety Improvement Program

South Meadow School, Peterborough Elementary School and Antrim Elementary School are all complete.

We did not receive any grant funding for safety improvements. Should be wrapped up by mid-February.

- RFI/Reconfiguration

Alan Edelkind reported that eight companies have been contacted. One is interested in the work with others potentially interested. Several companies have not responded at all. School Board associations are also being worked with.

- FY'22 Audit

Jim Fredrickson said that the board would like to meet with auditors at a future meeting.

Default budget hearing has to be disclosed at first budget hearing.

- Other

Tim Grossi shared that the district bids stuff all of the time.

There is a policy ECFR - energy management reference guide. Part of it includes recommendations from Primex. Small appliances e.g. coffee makers, small refrigerators, etc. exist throughout our buildings. This needs to be reigned back in. Anything that has a heat generating item is not encouraged in classrooms. It is a policy that is in effect right now and has been. Jim Fredrickson agreed to include this in his report to the board.

Tim Grossi reported that we did not get any funding from the Safe Grant. \$10,416 of signage for entry doors is expected from emergency responders.

Community use of our schools - everyone is back wanting to utilize the space. Tim said that he endorses use of the schools. However, requests are coming in for weekends. Tim shared his concerns with energy usage.

Katherine Heck said that the fee schedule might be reviewed in conjunction with cost recovery. The action item is to update the fee schedule and look for board endorsement.

Dick Dunning motioned to adjourn at 7:23 p.m. Alan Edelkind seconded. Unanimous.

Respectfully submitted,

Brenda Marschok