

LAMOILLE NORTH SUPERVISORY UNION
ACT 46 STUDY COMMITTEE MINUTES
GTMCC COMMUNITY EDUCATION CENTER
DECEMBER 8, 2015

Committee members present: Bill Sander, Laura Miller, Ken McPherson, David Whitcomb, Peter Ingvaldstad, Tim Sullivan, Raven Walters, Patti Hayford, Jeff Bickford, Matt Mitchell, Nita Bogart, Kristy Wrigley

Others: Edith Beatty, Marilyn Frederick, Michelle Aumand, Steve Sanborn, Thad Tallman, Jodi Tallman

Note: All votes taken are unanimous unless otherwise noted.

1. ***Call to Order, Approval of Agenda and Announcements***

P. Ingvaldstad called the meeting to order at 5:59.

B. Sander moved and D. Whitcomb seconded to approve the agenda as printed and the motion was passed.

P. Ingvaldstad said he spoke to high school teachers yesterday at a staff meeting about Act 46 and he thinks it went well. There were a lot of good questions. Have others talked to teachers at their schools? R. Walters said she has. E. Beatty said she has talked to teachers. P. Ingvaldstad suggested it might be a good idea for others to do so.

2. ***Approval of Consent Agenda Items (Board Committee Minutes 11-30-15)***

D. Whitcomb moved to approve the consent agenda, M. Mitchell seconded, and the motion was passed.

3. ***Public Comment***

There was none.

4. ***Articles of Agreement – Final Approval***

T. Sullivan moved to approve the articles of agreement as amended since the last meeting, allowing clerical errors or changes necessary for consistency throughout the document to be corrected at a later time without a board vote, seconded by B. Sander.

The board reviewed the articles of agreement. E. Beatty said there were no substantive changes made since the last meeting. The language was cleaned up in some places to be more public-friendly and there were a few changes of wording made for legal reasons.

D. Whitcomb asked how we can change the articles if the legislature makes changes to Act 46 before the vote on April 12. S. Sanborn said this committee would have to come back together. The committee may have to come together after the State Board of Education reviews the articles, as they may suggest changes. B. Sander said if the legislature does make changes to Act 46, the changes could be made as late as May, but our communities will be voting in April. How do we handle that? S. Sanborn said he still thinks it would revert back to the committee. P. Ingvaldstad said he thinks the articles of agreement form a legal binding contract once approved by the voters and the state can't

pull out of a legal binding contract. D. Whitcomb said that is not true. The state has done that in the past. P. Ingvoldstad said he doesn't see how the state could back away from providing the promised tax incentives once the articles are accepted by the State Board of Education and the voters have voted yes.

M. Frederick asked about the sentence in Article 3 stating "The School Board shall honor all individual employment contracts that are in place for the forming school districts on June 30, 2017 until their respective termination dates." How do we know on June 30, 2017 that we wouldn't need to RIF someone? S. Sanborn said that sentence is talking about contracts with the association, not individual employee contracts. The board will still have the authority to cut teachers for budget purposes. M. Frederick asked, shouldn't it say something like "in accordance with the Master Agreement" instead of "individual employment contracts?" (*T. Tallman and J. Tallman arrived at 6:09.*) She said if the board decides in March 2017 to RIF someone, it sounds like that can't be done because they have individual contracts that go through June 30. Maybe we should change the date to July 1, 2017. If the board decided after town meeting to RIF someone, then they would not issue a contract for the period starting July 1, 2017. E. Beatty said if the termination date of the individual contracts is June 30, 2017, then it should be okay because it says their contracts will be honored until the termination date. B. Sander asked, wouldn't July 1 be too late, because notice has to go out before that? S. Sanborn said the board would still notify people during the budget process that they would not have a position as of July 1.

B. Sander asked, if reserve funds are to be transferred to the new union district, won't this create a stampede among all school districts to have articles at town meeting to dissolve any reserve funds so they won't go to the district? Apparently there is no prohibition against that.

S. Sanborn said he thinks it could go either way. Budgets are already set by March, so boards would have to take quick action before they even knew whether the vote on consolidation would be positive in order to make that happen. He was at a meeting recently where people said they didn't expect to see a lot of movement like that.

M. Frederick said she thinks the language stating that funds designated for a specific purpose shall remain designated for that purpose will protect the funds. If not for that language, she could see boards wanting to take the money back. But money designated for the Cambridge bus reserve will still be used for buses and money designated for a roof at the Belvidere school will still be used for the Belvidere roof.

B. Sander said if the Belvidere board took that money back, then if the roof needed to be replaced all 6 towns would share the cost.

M. Frederick said she doesn't think there is much risk boards will do that. E. Beatty said she thinks we need to educate people to show them that would be very foolish. If everyone spends the money that is currently in reserves then future costs will raise everyone's taxes.

L. Miller said she had been thinking of suggesting that her board not add money to their bus reserve this March. They usually have an article to put \$75K into the bus reserve. But why would we put more money in if we may be consolidating? We could use up the money that is already in the reserve. If boards have a surplus this year, why would they not hurry up and buy things for their own schools instead of turning the money over to the new district?

K. McPherson said it sounds to him like funds would be reserved for the same purpose, but not at the specific school they were originally for. For instance, a reserve fund intended for a new roof would need to be used for a roof, but not at any specific school.

P. Ingvoldstad asked if M. Frederick could come up with a plan for saving money through combining the different towns' bus reserve funds so we could talk to people about how there could be cost savings if we bought buses for the district.

M. Frederick said we talked about that scenario when we talked about Act 156 but there wasn't unanimous agreement. Towns that had buses didn't want to give them up. Regarding K. McPherson's point, she thinks funds originally reserved for work at a specific school should still be used for that school, but the language in the article doesn't really say that.

T. Tallman asked if the word "electorate" in the sentence "Funds designated for a specific purpose by the electorate shall remain designated for that purpose" means the voters. Others said yes. T. Tallman said it's the voters' money, so he thinks that means the money is earmarked to that specific place.

M. Frederick said that is how she thought of it, but K. McPherson has a point. Her recommendation to the Cambridge school district would be not to have an article this coming year to fund the bus reserve. There is enough in it to pay the debt for this year.

B. Sander said that makes perfect sense unless Cambridge votes consolidation down and then is left with a deficit. If Belvidere's existing reserve is used to pay for a new roof at BCS, that means just the citizens of Belvidere are paying for the roof, not everyone in the new district. He could see people in Belvidere asking why they should be stuck with the entire expense just because they were prudent enough to put money in a reserve fund.

K. McPherson asked if we can add that funds will remain designated for the building/district they were originally designated for.

B. Sander that doesn't address the inequity that the roof would then be paid for by one town, not all.

M. Miller said if work is done by the new district using money already put in by one town then that town should get that much of a tax break. Will the money come off the amount that town is paying on the bond for the roof?

S. Sanborn said no, but if the town acquires the building back they won't have to pay that money back.

T. Sullivan said he thinks we are looking at little details when we should be looking at the whole thing. The future board is us. The boards that will hand assets over to the future board are us as well. M. Frederick has told us that every district has reserve funds. We are really talking about a very marginal amount relative to what the larger board will deal with. If Cambridge doesn't put \$75K in a bus fund it really won't make that much difference. He doesn't think we are talking about enough money to be terribly concerned, especially since all the districts have reserve funds.

S. Sanborn said we could change the language to say "the electorate of each community."

K. McPherson said it will be hard to explain why we have a carveout for one set of assets but not all assets.

L. Miller said she wonders if we can get a list of the reserve funds and the language that created them. If Cambridge's article said it was for Cambridge busing and Belvidere's article said it was for a roof on the Belvidere school then we are all set. M. Frederick said none of the articles say that.

K. McPherson said he thinks when we look at all the accrued liabilities due to lack of maintenance the set-asides are a relatively small portion. He just thinks it makes sense to set funds aside for the town that contributed them. (*M. Frederick left at 6:37.*)

M. Mitchell said he can foresee people asking, if Eden has a new bond once we consolidate will the whole district pay back that bond? Others said yes, it will.

D. Whitcomb said he is not impressed with what lawyers think. He is impressed with what a judge rules. We have no history of what a judge rules on this because it is too new. What the lawyer says doesn't mean anything until the judge rules.

B. Sander said the points raised are points the taxpayers will wonder about. He is not advocating changes but we need to explain this. M. Frederick can come up with figures showing money coming from reserve funds will be reasonably equitable and a small part of the whole.

L. Miller said we changed the wording in Article 7 from "earmarked for the stated purpose" to "designated for that purpose." But Article 8 still uses the word "earmarked." Should it be changed? E. Beatty said she thinks the issue in Article 7 was not with the word "earmarked" but with redundancy.

R. Walters said she didn't see in the previous minutes any discussion of allowing kids who started at one school to finish their careers at that school. S. Sanborn said he thinks it

was discussed that that would open up a 7-year window where changes couldn't be made, which would really tie the hands of the board.

E. Beatty said Article 19 describes how board members from Non-Member Elementary Districts would recuse themselves from votes on preK-6 issues. A question, which does not need to be answered tonight, is whether they would be recused from discussion as well. P. Ingvoldstad said it is a public meeting; they could be included in discussion. K. McPherson asked, doesn't the question become more real when we are talking about executive session? P. Ingvoldstad said the chair and administrators can say who will be invited to stay in executive session. More than likely they would not be invited to stay. D. Whitcomb said they are board members. They can't be kicked out of executive session whether they have voting rights or not.

M. Mitchell asked if Non-Member Elementary Districts have voting rights regarding the middle school and high school. S. Sanborn said it is just elementary issues they are recused from. They will have the same voting rights as in the past for 7-12 issues.

D. Whitcomb said he would like an explanation of what we are saying in Section A of Article 20: "Each elected representative on the Modified Union School District Board shall also serve as a member of the LNSU governing Board." S. Sanborn said it is talking about what will happen if at least one community votes no to the merger and the others vote yes. Those who vote yes will form a unified school board. We still also have to have an LNSU board. The new board for the unified district will also be the LNSU board and non-member districts can join that board.

L. Miller asked about Cambridge's representation on the modified union board if only Cambridge voted no. S. Sanborn said there would be 13 people from the other districts and Cambridge would have 5 representatives who could vote only on 7-12 business. L. Miller said Section B of Article 20 says the non-member district would appoint one rep to the LNSU board. S. Sanborn said they would have 5 reps on the unified district board and one more on the SU board, but votes would be pro-rated so there would be only 5 votes total.

R. Walters asked, if Hyde Park votes down the merger, they would still have 4 seats on the new board anyway? S. Sanborn said they would have 4 seats on the union board and one more on the SU board, but votes would be pro-rated so Hyde Park would have only 4 votes. They would have no more or less influence on the board than if it were a full union.

R. Walters said the union board members could conceivably be different from those on the HPES board. If consolidation is voted down, does board membership default back to the members of the HPES board? P. Ingvoldstad said then Hyde Park would have voted down the union but elected the officers for the union board. R. Walters asked, those elections are valid even if consolidation is voted down? S. Sanborn said yes; those people will serve on the union board. Hyde Park has to have reps on that board for 7-12 business.

M. Mitchell asked how it is handled if no one from a town runs for the new district board but that town votes yes. S. Sanborn said the town would appoint representatives. The school board would do it if the district hasn't closed yet. If the school district has closed then it defaults to the selectboard.

D. Whitcomb said he thinks that is wrong. He asked S. Sanborn to send him the statute that says that. He thinks the new union board would appoint representatives. S. Sanborn said he will explain to D. Whitcomb after the meeting why he thinks it would work as he described.

T. Tallman asked, in the example of Hyde Park having 4 members plus an extra member but only 4 votes, what is the purpose of the extra person if they don't have a say?

S. Sanborn said that is what we need to do by law. A non-member district has to appoint a person to the LNSU board but their total number of votes can't exceed the number proportional to their population. Huntington had 3 people going to the SU board but proportionally they only had 2 votes, so each person had 2/3 of a vote. In Westford they wanted 2 people to go to the SU board but they only had 1 vote so each got half a vote.

P. Ingvaldstad said the way it works at LNSU board meetings now is that the high school board can send 12 people and they all get together and decide how the vote will go. It's not that one person will not have a say, it's that each person will not have a full vote.

The motion was passed with D. Whitcomb opposed.

P. Ingvaldstad said the articles have been accepted with the idea that minor changes can be made to them as needed. If the state comes back and says we need to tweak a sentence slightly, is it okay with everyone if that is done without calling a meeting of the committee?

D. Whitcomb said no. It has to be board action. There is no clear line between what is minimal and what is not, so that is dangerous. The committee should be brought back.

E. Beatty said this is not a committee appointed by the LNSU board. D. Whitcomb disagreed. He said the LNSU board formed it. E. Beatty said they consented to form it but the each district board voted to form the study committee and appointed members. D. Whitcomb said he disagrees. This is an LNSU board committee.

5. ***Final Report – Take Action***

T. Sullivan moved to approve the final report as presented, seconded by B. Sander.

K. Wrigley noted that her first name was spelled incorrectly on the report. Committee members reviewed the report to see if they found anything else that needed to be changed. S. Sanborn said it is the articles that the Board of Education will accept. This

report just tells how we arrived at them and gives some additional information the board may use to make its decision.

E. Beatty said the financial numbers in the report have changed slightly from what M. Frederick presented in town forums, due to new information provided by the state. The pros and cons listed are from this group's work. There is an executive summary. Appendix D goes through each of the goals of Act 46 and makes a case for why a merger is a good thing to do.

D. Whitcomb asked, when this gets to the Secretary of Education, how many people other than her will look it over and make the final decision? S. Sanborn said she doesn't make the final decision; the Board of Education does. First it goes to Donna Russo-Savage, Deputy Secretary of Education, then a group of 5 people including at least one lawyer and the Secretary of Education will review it. They will give us feedback. If any substantive changes are requested this committee will need to meet again. After that it will go to the Board of Education and the Secretary of Education will recommend that they approve it.

K. McPherson said he thinks it is ironic that the basis for a major part of the benefit analysis of Act 46 in the report is the assumption that school spending per student will continue to grow at historical rates. That sort of negates the whole premise of Act 46. He is afraid this cost-benefit analysis, which he does not consider a real cost-benefit analysis, will be used to support the idea that Act 46 is beneficial. For those reasons, and assuming the whole thing will be passed, he will be voting no on acceptance of the final report.

P. Ingvaldstad said at this point there is a board member from each district who handles directors' orders. After consolidation, will there be just one person doing directors' orders for every school? If so, how does that get us more transparency and accountability and not less?

L. Miller said she has a friend in Orleans who is on her district's clerk committee. It is a committee of the larger board that looks through directors' orders. She would suggest we have a similar committee with one member from each town.

E. Beatty said board orders won't come from each individual school since there will be just one district.

D. Whitcomb said in Eden the board approves orders. He has been authorized to sign orders between meetings and then at the next meeting the board votes to approve them. Right now, orders are put together at the superintendent's office and given to the board. Checks are written but not signed at central office. Eden checks are signed by the Eden treasurer. All the checks in the SU are not signed by one treasurer. After consolidation we are going to have about \$39 million in checks with one treasurer and the towns will have nothing to do with it. This is going to be a real issue because of the risk of embezzlement. He predicts we will have 4 or 5 treasurers so there will be no money savings. Now we have checks and balances because the town treasurers have to sign checks.

E. Beatty said some of this is work that has to be developed. For LUSD #18, there is one treasurer. That is halfway to where we are going.

D. Whitcomb said LUSD #18 has a \$14 million budget. Now we are going to double that and we will not have the checks and balances we have now.

E. Beatty said we will develop a system. P. Ingvaldstad said he thinks L. Miller had a great suggestion.

K. McPherson asked how the districts pass an audit with a single point of authorization for expenditures. E. Beatty said there are two signatures required now.

D. Whitcomb said in the past we have been charged late charges. When Joe Ciccolo was superintendent he said no school district should pay late charges with tax dollars so he contacted vendors and told them we would not pay late charges. Orders are brought to a meeting and the board authorizes them. Board members get information about the bills ahead of time via email.

The motion was passed with D. Whitcomb, K. McPherson, and P. Hayford opposed.
6. ***Next Agenda, Scheduling Meetings, Work with Agency of Education and State Board of Education***

S. Sanborn said the committee may have to come back together before the articles go the State Board. One possible date for a committee meeting is January 6. E. Beatty said that is the night the Cambridge board meets. Maybe L. Miller could miss the first part of the meeting. A meeting that night would be necessary only if the Agency of Education had issues with the articles. Hopefully it won't be needed. She suggested tentatively putting down January 6. She asked how many people could be there and noted that there would be a quorum.

The State Board will be meeting on January 15 and 19. A possible date for a committee meeting to decide on next steps after that is January 26. S. Sanborn said at that meeting we can look at strategies to take us to the vote on April 12. E. Beatty asked how many people could come on that date. It appeared there would probably be a quorum.

P. Ingvaldstad said he thinks maybe one way we could do a better job of getting the word out is by talking to the teachers at each school. It went well to talk to high school teachers but he didn't talk to middle school or tech center teachers or staff. E. Beatty said she will be talking to tech center teachers and P. Ingvaldstad is welcome to come.

D. Whitcomb asked why the board wasn't notified that P. Ingvaldstad was talking to teachers. P. Ingvaldstad said B. Schaffer asked him about 3 days before the staff meeting. He didn't think he needed to notify the board. He asked if it would be okay for him to talk to more teachers. D. Whitcomb said it is okay if we know about it. L. Miller said talking to teachers sounds good but all the staff and teachers know we are having these meetings. Why aren't they here if it's important to them? Did P. Ingvaldstad talk to them

at a staff meeting they had to be at anyway? P. Ingvoidstad said yes. L. Miller said we were paying them to listen to him.

P. Ingvoidstad said it is fine with him if other committee members want to meet with teachers at their own schools. Otherwise, he will ask E. Beatty if she can advertise that he is available to come to staff meetings. Other committee members can join him if they want. E. Beatty said she has already been to half the schools.

D. Whitcomb said P. Ingvoidstad should caution 3-member boards that if 2 board members go to talk to teachers that is a quorum and they can't do it without permission of the board. R. Walters said she thinks that is a misunderstanding of the law. We aren't representing a board; we are representing this committee. Two people would not be a quorum of the committee. As long as the committee members are not dabbling in other board business she would argue it is perfectly within the law. D. Whitcomb said they have to have board permission. This committee was appointed by the LNSU board. It is an LNSU board committee.

P. Ingvoidstad said he will let everyone know if he plans to attend any staff meetings to talk about Act 46.

B. Sander suggested that to address the problem of using taxpayer funds he could just tell people at the school that there will be an informational meeting they can come to that is not a paid staff meeting. K. Wrigley said we are going to be speaking to employees as an employer about major system changes. She thinks it is appropriate to do that during the work day at a staff meeting. She would expect her employer to do the same if they were talking about major changes.

7. ***Adjourn***

It was moved and seconded to adjourn at 7:36 and the motion was passed.

Minutes submitted by Donna Griffiths