

**Lamoille North Supervisory Union and  
Lamoille North Modified Unified School District  
Finance and Capital Committee  
December 9, 2019**

**Those in attendance:** Mark Stebbins, Deb Clark, Mark Nielsen, Angela Lamell, Lisa Barry, Bart Bezio, Jan Epstein, Laura Miller, Dylan Laflam, Brian Pena, Jennifer Hulse, Brian Schaffer, Jade Hazard, Laura Miller, Diane Reilly, Wendy Savery, Denise Maurice, David Manning, Melinda Mascolino, Erik Remmers, Katie Orost

**Minute Taker:** Sue Trainor

**Call to Order, Approval of Agenda and Public Comment:** Stebbins called the meeting to order at 6:02 p.m. Bezio made a motion, seconded by Nielsen, to approve the agenda. The motion passed unanimously.

**Routine Business: Consent Agenda Items**

**Minutes of October 21, 2019:** Nielsen made a motion, seconded by Bezio, to approve the minutes. The motion passed unanimously.

**Review FY2021 Budgets:** Clark informed the Committee that the administration was looking at a total increase of 5.67% in education spending. The Department of Education and Tax Department were calculating a 5.01% statewide increase in education spending. Clark said they did not have the current equalized pupil number yet which would change the tax calculation. At this time they were looking at a \$73 per \$100,000 property value hike increase before applying any common levels of appraisal or a 7.34-cent increase in the tax rate. Clark acknowledged this was a big jump but Clark advocated leaving the budget as is. She noted the District had worked really hard over the past few years to reduce the budgets to try to respond to Act 46 savings.

Clark explained that hundreds of millions of dollars worth of bond debt was coming on to the statewide education budget. As for the District, there had been a lot of investment put into improving instruction and improving student support services. Clark noted that they had thought a position could be eliminated if the District had fully merged but that had not occurred. The District was also facing a mandatory financial accounting system change to a statewide system starting January of 2021 so that position could not be eliminated. Several positions in IT needed to be added, one as a result of a mandate from the state and one position was needed to analyze data. Cost for food services was going up, which the General Fund needed to pay for.

Clark noted that the health insurance premium costs were projected to increase 12.9%. Hyde Park Electric, the utility used by Hyde Park Elementary School and the high school/middle school campus, was requesting a 15% utility rate increase. Property insurance premiums had gone up 15.5%. The first year of the gym bond debt would begin in the upcoming budget.

Clark stated to move the tax rate \$0.01 would equal roughly \$150,000. If it were all at the elementary level, it would cut \$132,000 from the budget. If it were all cut at the secondary level, it would equal \$189,000. These cuts would reduce programming.

Laflam explained that increases in facility costs were primarily a result of items outside of his control, such as increases in property insurance and electricity. He also noted that this was the first year he would be fully staffed. While this was good news, the additional benefit costs were affecting his budget.

Miller asked about the decrease in HRA costs. Clark stated they now had some experience rating, which resulted in the District paying 79% of what 100% coverage would be. Clark had gone through the budget and adjusted the figure to 70%. The auditors recently reported that the HRA and dental program liability was too high and those figures needed to be removed from the balance sheet and put into a reserve fund. This would mean if there were an expensive year for the HRA, the funds could be used from the reserve and would not require deficit spending.

There was discussion about the tuition line item. Schaffer explained those costs related to the students who needed specialized services. Clark then reported that in FY22 the District would be looking at a different funding formula for special education. Clark stated that Johnson Elementary School had had a lot of success with their in-house student supports to the extent that they were not placing students out of school. This model could be what was used in the future throughout the District. Manning explained under this budget he had added funds in the Guidance line item to bring a half-time position up to a full time position. That would allow four people to be employed in the student support system. The concept involved training staff in the building to support students with significant behavioral needs that might otherwise need a behavioral specialist. Manning reported that at present they didn't have a single student that had had to be outplaced. Manning stated he could envision a model for the entire Supervisory Union in which a central office position would oversee the support centers in all the schools. The Committee discussed this idea further.

Hulse stated the special education block grant would begin in FY22. UVM was currently doing a study to determine whether the rules and payments were fair across the SU's. The block grant would force changes in how students were served. Hulse agreed that Johnson had a very successful program and it was something they looked to replicate in other schools. Savery reminded the Committee that the middle school had another version of a student support center. It was the only kind in the state with two certified behavior specialists who had been trained through Laraway. They were now in their fourth year and it was quite successful.

Stebbins asked Laflam if he had been able to schedule a series of paving projects. Laflam stated paving was out for this year. He was now required to get new stormwater permits from the state to pave the parking area. He had scheduled paving in next year's budget and noted it would be a \$150,000 General Fund expense for six years to pave the entire parking lot.

Savery noted her concern about cameras in the building, stating that the cameras were aging and not functioning well. They were crucial in investigations.

Lamell asked about a 26% increase in IT expenses at Hyde Park. Reilly explained that a position had been vacated mid-year, so funding a full time position was more expensive. Pena explained that staff costs had also been moved from the SU to Hyde Park.

Miller asked if several years of enrollment could be provided so that trends could be seen and Lamell asked to be able to see staff FTE's. Clark stated this information could be provided.

Orost stated none of the taxpayers were getting these types of raises and any raise given would be eaten up by health insurance costs. She said she would not be able to put forward this budget. The Committee then discussed items outside of the District's spending that were driving up costs.

Nielsen stated that 70% of the increase was from things the District had no control over. It would be helpful to have the information available on a penny reduction in the budget to use when speaking with community members. Clark stated that would mean going back and finding cuts and explaining what those cuts would mean. Nielsen said he could address and justify the increase because electricity and insurance were causing the bulk of the increase. However, he agreed with Orost that it was a difficult position to put voters in.

Manning stated they had done this exercise previously with the Johnson Board. The reality was that when talking about any substantial cut, it meant cutting employees. This exercise could be done but it upset staff when they read in the meeting minutes that their position might be cut. Nielsen understood that, but said showing voters what they would lose if they wanted the tax rate reduced would be helpful.

Miller asked about funds being budgeted for conferences and training. She said she would rather have in-house trainings than sending employees out of state. Clark said that many trainings were grant funded. Hazard stated that they were currently training people so in-house trainers were within the District.

Barry asked when employees had to give notice that they would be retiring. Schaffer stated it was December 31. Both Barry and Schaffer talked about how helpful it would be for budget planning purposes if notice could be given earlier.

Stebbins agreed with Nielsen and said it would be helpful to do the budgeting exercise of outlining what each penny decrease would mean. Stebbins asked Clark to report on up to a 3-cent reduction. Barry noted the larger board would also want the information. Bezio said it was important to do an analysis because a penny cut could be significant and detrimental.

**Determine Next Meeting Date of Finance and Capital Committee:** The next meeting of the Committee would be held on January 6, 2020. Clark stated if the School Board wasn't ready to approve the budget on January 13th, a special meeting of the Board could be called on January 20th.

**Other Business:** Clark thanked Remmers for participating in this meeting and informed the Committee that the RAB had approved GMTCC's budget. Remmers had been very creative with his budget, allowing for an increase of only 1.05%. Laflam then provided the Committee with both a proposed project list for 2020 and a deferred maintenance list.

**Adjourn:** Nielsen made a motion to adjourn the meeting at 7:18 p.m.