

**Lamoille North Supervisory Union and
Lamoille North Modified Unified Union School District
Finance and Capital Committee
Minutes of Meeting
April 20, 2020**

Committee Members in Attendance: Mark Stebbins, Laura Miller, Angela Lamell, Bart Bezio, Katie Orost, Lisa Barry, Bernard Barnes, Sue Prescott, Patty Hayford, Mark Nielsen

Staff and Administration in Attendance: Cat Gallagher, Deb Clark, Dylan Laflam, Brian Pena, Charleen McFarlane, Jennifer Hulse, Brian Schaffer

Minute Taker: Sue Trainor

Call to Order, Approval of Agenda and Public Comment: Stebbins called the meeting to order at 6:12 p.m. Nielsen made a motion, seconded by Bezio, to approve the agenda. The motion passed unanimously. There was no public comment.

Reorganization of Committee: Elect Chair of the FCC: Nielsen made a motion, seconded by Miller, to nominate Mark Stebbins to be Committee Chair. There were no other nominations and the motion passed unanimously.

Routine Business: Consent Agenda Items

Minutes of January 6, 2020 Committee Meeting: Prescott made a motion, seconded by Nielsen, to approve the minutes. The motion passed, with Prescott and Barnes abstaining.

Update on Facilities Projects: Laflam reported that all projects were on hold except for the gymnasium project. Waterville's parking lot and repairs to Johnson Elementary School's roof were tabled for now. The gymnasium project was slowly moving forward. The roof project had been expected to start on April 6th and Laflam was hoping this work would be considered 'maintaining critical infrastructures' and could start soon. The roof stormwater treatment project, a project mandated by the state and funded at 90% through state grants, had been tabled. He noted that the deadline for that work was January of 2021. There were pieces of equipment they had hoped to purchase and those items were now on hold. However, Laflam noted that it was likely that Belvidere's boiler wouldn't make it through another winter. Therefore, the project was on hold at this point but could come up again in the next month. There were no large capital projects or maintenance projects coming up at Eden. Hyde Park had bond funds available and there was a list of items that those funds could be used for at the school.

Laflam didn't anticipate any savings in the facilities budget this year. Most of the savings would occur at the end of the summer. Facilities personnel were getting an early start on summer services, so summer help wouldn't be required. Laflam said that currently 60% of his staff were occupied with projects and 40% were working remotely and catching up on their trainings.

Clark clarified that the Hyde Park bond funds were not bond principal funds that were left over. The money was interest that had been earned during the course of the project. This money could be utilized to do some of the projects that were removed from the project originally.

Miller noted that scheduling vacations for facilities staff had been difficult in the past. She asked if Laflam was scheduling those now. Laflam stated staff members were still busy until the end of the school year with projects and disinfecting schools. Miller requested that vacations be scheduled so that summer help wasn't required.

Stebbins asked if the projects that were being put on hold were projects coming from capital reserve or were they budgeted expenses. Laflam stated that most were coming out of capital reserve but there were a few general fund projects. Laflam noted the projects weren't going away, as they were all repairs but instead were all being deferred.

Update Instructional IT Equipment Purchases and Replacement: Pena informed the Committee that some projects had been put on hold. They had been looking at purchasing some equipment in order to take advantage of current e-rate funds but that was now put on hold in case funds needed to be redirected. He was looking at continuing the I-Pad one-on-one initiative and would be getting estimates of the cost for that. Pena was also working on developing a new replacement life cycle for devices. He explained that typically devices that the students were using now would not have gone home. Devices that typically lasted an average of 6.5 years would now experience an increase in wear and tear, damage, and would require replacement chargers. Gallagher explained that the CARES money coming to the District was for situations like this.

Space Use Discussion Continuation: Clark stated they needed to return to the discussion about the space use at Eden and Waterville. However, there were now some constraints coming up over the next few years. Clark was looking for guidance on whether to proceed with community outreach or to defer for another few months. She noted they had already deferred the discussion for almost 18 months.

Orost's opinion was that while she didn't like to defer, she also didn't believe communities could handle much more at this point. She suggested deferring discussion until June. Gallagher agreed and stated the District would be receiving guidance on what it would be like to get back to business. She noted there could be some additional social distancing measures that the District would not be able to maintain with the current structures. Stebbins stated they needed to be prudent. Prescott asked if any money had been put towards this. Clark stated that there had not been any dedicated funds applied to it.

Discuss Potential Economic Impact of COVID-19 on FY20 and FY21 Operations and Budgets, and Possible Strategies in Response Thereto: Clark started by providing projections for the current fiscal year, stating the recent projections were sound and strong. Special education numbers at the SU looked exceedingly good; however, the spring time studies were not completed and if some of the time that was budgeted as reimbursable turned out to not be reimbursable that would impact the final revenue numbers. A spending freeze had been put in place for the current year knowing that the statewide education tax base had been affected.

Clark noted that the Joint Fiscal Office reported on the loss in revenues, stating they didn't feel there would be a cash flow problem this year but FY21, FY22 and FY23 there would be a need to pay back. Additionally consumer taxes could be gone for quite some time. The administration wanted to look at initiatives now in anticipation of next year's lack of revenue. Clark reported the District would have until September 2021 to utilize the CARES money. The state had not yet given definitive guidance on how to make up for the loss of statewide revenues. Everything was on the table to review.

Bezio asked Clark about the freeze that had been put in place. Clark stated that in this current fiscal year, if the expense was not directly COVID-related support, people were being instructed not to do it unless it was absolutely necessary. Coming out with a surplus would help the District in FY22. Coming out of FY20 didn't necessarily help with FY21 but the surplus could be used in FY22 to help with tax rates.

Clark stated the State had not yet set the yield for FY21. With a shortfall in the anticipated revenues it changed the yield numbers used when building the budget. Clark stated in December a 5-cent increase

had been anticipated. Now it looked to be in double digits. However, those figures were highly speculative.

Orost made a motion, seconded by Bezio, to go into Executive Session to discuss the potential impact of COVID-19 on the budget. Prior public knowledge could put the District at a disadvantage, if for no other reason than that the information could be misunderstood. The motion passed unanimously and the Committee went into Executive Session at 6:39 p.m.

The Committee came out of Executive Session at 7:10 p.m.

Another meeting of the Finance and Capital Committee was scheduled for May 1, 2020.

Other Business: There was no other business.

Adjourn: Orost made a motion, seconded by Nielsen, to adjourn the meeting at 7:12 p.m. The motion passed unanimously.