

**LNSU/ LNMUUSD  
Finance Committee  
Minutes of Meeting  
September 17, 2018**

**Board Members:** Katie Orost, Lisa Barry, Angela Lamell, Mark Nielsen, Sue Hamlyn-Prescott, Laura Miller

**Others:** Deb Clark, Dylan Laflam, Brian Schaffer

**Minute Taker:** Sue Trainor

Prescott called the meeting to order at 6:00 p.m. Nielsen made a motion to accept the agenda as printed, seconded by Barry. The motion passed unanimously.

**Elect Committee Chair:** Prescott informed the Committee that due to her inability to attend meetings before 6:00 p.m. she was stepping down as Chair of the Committee and suggested that Nielsen and Lamell be Co-Chairs of the Finance Committee. Miller made a motion, seconded by Barry, to nominate Nielsen and Lamell as Co-Chairs of the Finance Committee. Following a discussion, Miller amended her motion to nominate Nielsen as Chair and Lamell Co-Chair of the Finance Committee, seconded by Barry. The motion passed unanimously.

**Meeting Format:** Clark informed the Committee there would be times when sensitive information was presented to the Committee. If there were a time when an agenda item had dollar specifics the prior public knowledge of which might put the district at a disadvantage any members could call for an executive session. More general discussions on the subject would then be held outside of the executive session.

**Update on Open Bonds:** Laflam informed the Committee there were currently three open bonds: Johnson Elementary, Eden Elementary, and Hyde Park Elementary. The Eden and Johnson bonds were not done as a specific project but were action items that had been determined some time ago. Johnson had \$57,700 left in the bond and some HVAC work still needed to be done. He noted that after HVAC bills were paid, there would be approximately \$30,000 remaining in the Johnson bond. Eden had \$89,956 remaining in their bond. The only large project remaining in Eden was insulation with an estimated value of \$38,000. Hyde Park still owed Wright and Morrissey \$34,748. This amount was being held until the last of the keypunch items were completed. The Clerk of the Works was being paid about \$8,000 a month. \$190,870 was still left in the bond and no large bills were outstanding. In response to a question, Laflam explained that any infrastructure projects could be paid for through the individual school's bond. Miller asked questions about an estimate that had been received for paving at Eden versus the final cost of the project. Laflam explained that the engineer's estimate had been done well before the work was actually done and the project had been expanded somewhat.

**Discuss Potential New Bond(s) Lamoille Union Campus:**

**Gymnasium Renovation:** Laflam explained that when he started working at Lamoille in 2014 the Lamoille Union Capital Reserve had had renovations on the gymnasium planned for four years and then deferred those renovations each year. Three years ago, because of issues with the flooring, a 2'x 2' section was cut out beneath the bleachers and it was discovered that the floor was from 1965 and had been assembled incorrectly. In an effort to correct the issues with the flooring, asphalt had been laid underneath the flooring, which then had trapped moisture and rotted the undercarriage. Repairing this became quite expensive as the asphalt now all needed to be removed. The original

scope of work for redoing the floor was \$350,000. However, with additional work that would now be required, it would cost \$500,000 just to replace the floor. Bleachers would have to be removed in order to replace the floor and those would not be able to be replaced to their original positions, so new bleachers would be required, bringing the cost up to \$750,000. The doors were not ADA compliant so those would need to be replaced as well. With other items, such as painting, replacing curtains, etc., the engineer's estimate in 2017 for a complete rehab of the gym, including HVAC, was \$1.1 million.

**Auditorium Floor:** Like the gymnasium, the floor had been poured on top of asphalt and was completely rotten. A conservative estimate for this repair was \$50,000.

**Cafeteria Line Work:** Laflam stated that Karyl Kent had done a great job of cobbling together equipment items for the cafeteria. However, to make it more efficient and user friendly, an upgrade would cost \$100,000. Laflam stated this dollar amount was for equipment only.

**High School HVAC:** Laflam stated this was a fairly new request. This work could cost between \$100,000 for exhaust fans and \$2 to \$3 million to provide air-conditioning to the entire school. Prescott stated her concern with this was that there were at most nine days a year that would require air conditioning and that the school was empty during the hottest parts of the summer. Laflam agreed there were some HVAC remedies that would cost less and suggested hiring an engineer to do a study. In response to a question from Miller, Laflam stated that mini-splits would not be cost effective at the high school. Miller suggested that some of the rooms that were used for summer school classes could be outfitted with mini-splits.

**Campus Wide Security Camera Rework:** Laflam explained that the middle school, high school and tech center's security cameras had been added on to over the years but the back-end of the system had never been worked on and was now starting to fail. Milestone was no longer supporting their own system. A new camera system to cover the interior and exterior of the entire campus could cost between \$250,000 and \$500,000 with new wiring needed, computer systems, DVR, and all new cameras. Prescott asked if the Safety Grant could cover these costs. Clark stated the grant would not cover this amount and that the entire district would be receiving a total of \$150,000.

**Dance Studio:** Laflam stated a plan had been developed years ago for a studio. Dance was very popular at the school but there were higher priorities to take care of.

**LNSD Maintenance Shop:** Laflam said this item did not need to be discussed.

**Paving:** Laflam said it would cost \$500,000 to repave the entire campus. Clark asked if it would be possible to have paving be on a four-year cycle as a capital project rather than a bond project. Laflam stated this item had been deferred for a number of years before he began and had recently again been deferred.

Laflam stated if the gymnasium project were brought before the voters, he would be surprised if it failed. Clark stated that with the cuts in the budget this would be the second year that outside athletic organizations could not use the gym on the weekends because it saved \$40,000 a year not to plow on the weekends. If the gym were to be revamped it would be nice to bring the outside organizations in and charge a proper fee. There was discussion on staffing and the need to clean up after sporting events.

Clark reviewed the status of the existing bonds. The Belvidere and Waterville bonds had matured and the large high school bond would mature in FY21. In FY22 the principal on Hyde Park would begin to be paid. Payments to that bond so far had been only for interest. Clark noted that borrowing \$1 million at 3% over 30 years with one payment a year cost \$51,000 in interest. The strategy with the Hyde Park bond payment was to pay a little interest until something matured and then replace that maturing bond with the principal payments. The payments for Hyde Park would continue for an additional 25 years. While the Hyde Park bond was a 30-year bond, members noted that 20-year bonds were an option as well.

Clark explained that between FY19 and FY20 there would be a \$50,000 drop in the principal interest payments but in FY21 payments would increase \$13,000. Clark said it would be possible to acquire a bond and pay interest only for the first three to five years before GMTCC's bond retired. In response to a question, Clark stated they could look toward pursuing a spring or summer bond. Clark also noted interest rates at this time were below 3%. Laflam stated that in order to have work begin in 2019, the bond would need to be approved by the end of January. There would be a 60-day bid process after the bond was approved and contractors would need to be lined up. Clark stated temporary borrowing was available once the bond was approved which would allow projects to get started.

Laflam explained that work on the gym would entail beginning the day after school ended and working through October. He also noted that most of the sporting events would be outside during those months. Committee members encouraged Laflam to consider starting the work in June, with graduation events taking place at Northern Vermont University. Laflam said it might not work to begin while students were in school because large equipment would be on-site.

Prescott noted that in the past, in order to keep the budget at a certain level, items have been deferred. She suggested that as a group they could state they recommended not deferring certain items. Nielsen agreed that the gymnasium needed to be dealt with soon. Miller noted the gym had been deferred for years and would only get worse. The Committee discussed the fact that a bond would cover the gym costs, whereas other items on the list could be factored into the budget as a line item. Prescott suggested combining the auditorium project with the gym bond. Nielsen said the gym and auditorium were the two biggest public places, so it would be easier to appeal to the public for a bond vote.

The Committee discussed whether to have the public vote on several bonds at the same time, rather than one each year. There was concern that if the public had to vote on two bonds of a different dollar value, the more costly item would be voted down. Clark suggested the Committee should revisit the capital funds and what could be done with those capital funds.

Laflam told the Committee he would review the campus security dollar amounts more closely in order to provide more concrete numbers. In response to a question about the lifespan of the current cameras, Schaffer stated the system was still functional but aging out and the issue was that there was no service provider. Prescott stated a plan needed to be put in place to address the situation. Laflam noted there were 86 cameras on-site so this project was significant. Schaffer encouraged the Committee to address the high school's HVAC issue in some fashion.

In response to a question from Prescott, Laflam stated that in order to go to voters for a bond vote, he would need to have final numbers ready by November. Prescott suggested aiming for those numbers by mid-November. Laflam then noted that IT was beginning to have some deficiencies and they had

no way of accessing additional funding. Therefore, he was updating the capital improvement project list.

**Eden Elementary Space Challenges:** Prescott made a motion to go into Executive Session, as prior knowledge of this discussion could put the district at a disadvantage. Laflam and Clark were asked to stay. The motion was seconded by Miller and passed unanimously.

The Committee went into Executive Session at 7:00 p.m. The Committee then came out of Executive Session at 7:15 p.m.

Clark reported that they were being tasked to examine how space was being utilized across the district and report back to the Committee.

**Budget Development Timeline:** Clark reported administrators were now working on their budgets and at the next meeting Clark would provide a first draft of the budget. She noted that VEHI was requesting an 11.5% increase to their premium rates. Clark hoped that would be reduced somewhat. Additionally, Eden would need a bus in the next school year, with busses costing approximately \$100,000.

Prescott noted Eden was still experiencing issues hiring bus drivers and wondered if the Committee should consider going out for a contract rather than maintaining the current system. Clark stated she could research what that would take, but there were Master Contract considerations.

**Adjourn:** Miller made a motion, seconded by Barry, to adjourn the meeting at 7:21 p.m.