

LAMOILLE NORTH MODIFIED UNIFIED UNION SCHOOL DISTRICT
ANNUAL MEETING MINUTES
GMTCC COMMUNITY EDUCATION CENTER
MONDAY, FEBRUARY 18, 2019

Present: Bill Sander, Katie Orost, Patti Hayford, Lisa Barry, Jan Sander, Mark Nielsen, Jeff Hunsberger, Tina Lowe, Laura Miller, Angie Evans, Deborah Clark, Catherine Gallagher, Michele Aumand, Rosemary Audibert, Kim Moulton, Mark Schilling, Cathy Mander-Adams, Candace Vear, Nancy LaRose, Thad Tallman, Sue Lovering, Lois Frey, about 10 other people

Bill Sander called the meeting to order at 7:00. He asked if there was any objection to Catherine Gallagher and Deb Clark, who are not voters from the district, speaking. There was no objection.

Article I:

To determine whether Roberts Rules (Revised) or other rules of order shall govern the parliamentary procedures of the meeting

Thad Tallman moved that the parliamentary procedures of the meeting be governed by Robert's Rules (Revised), Mark Nielsen seconded and the motion was passed.

Article II:

To review and approve the minutes of the February 19, 2018 Annual Meeting

Tina Lowe moved to approve the minutes of the February 19, 2018 Annual Meeting and the motion was seconded and passed.

Article III:

To elect by ballot the following officers: a) Moderator; b) Clerk; c) Treasurer

Tina Lowe nominated Bill Sander for moderator. Hearing no further nominations, **Thad Tallman moved that nominations cease and that the clerk be directed to cast one unanimous ballot for Bill Sander as moderator and the motion was seconded and passed.**

Kim Moulton nominated Donna Griffiths for clerk. Hearing no further nominations, **Jan Sander moved that nominations cease and that the clerk be directed to cast one unanimous ballot for Donna Griffiths as clerk, Tina Lowe seconded and the motion was passed.**

Tina Lowe nominated Kim Moulton for treasurer. Hearing no further nominations, **Jan Sander moved that nominations cease and that the clerk be directed to cast one unanimous ballot for Kim Moulton as treasurer, Tina Lowe seconded and the motion was passed.**

Article IV:

To establish compensation for the duly constituted officers and the Board of Directors of said Modified Unified Union School District

B. Sander reviewed the current compensation for the clerk, treasurer, board chair and directors. The recommendation is to keep compensation the same.

Donna Griffiths, the clerk, said in most years the clerk job involves warning and overseeing ballot counting for one vote. But in some years there may be additional votes. This year it appears that there may be three votes. She feels it would be fair for compensation to be increased when the amount of work is increased. She suggested an additional \$100 for each additional vote beyond the usual budget vote.

Mark Nielsen moved that the clerk receive compensation of \$500 per year plus mileage plus \$100 for each additional vote beyond the usual budget vote. The motion was seconded.

Jan Sander said she thinks with the amount and quality of work it is worth paying more than \$100 per extra vote. **J. Sander moved to amend the motion to make the amount for each additional vote \$150, George Putnam seconded and the motion was passed.**

Katie Orost asked when the compensation year starts. Bill Sander suggested that everyone agree on the clarification that the compensation year is from one annual meeting to the next annual meeting. There was no disagreement.

Lois Frey asked if the increased compensation is added to this year's budget. Deb Clark said the increase can be handled in the budget.

Cathy Mander-Adams said it appears that tomorrow's vote would be an extra vote, not covered under the clerk's regular pay. Bill said it would be covered under this motion. Laura Miller said the clerk has already done the warning for that vote. The extra \$150 per additional vote should start with tomorrow's vote.

The amended motion was passed.

Kim Moulton described what she does as treasurer. She works with the accounting department at the superintendent's office. She deals with payroll every other week and reconciling accounts every other month. There are 15 or 16 accounts to reconcile. That takes probably 4 hours a month. When she signs checks she looks at each one and compares against board orders. She transfers money between accounts as necessary. If there are errors on deposits, etc. the bank contacts her. Last year the proposed amount for treasurer compensation was \$5500 and she found that with all she did that worked out to something like \$3-4 per hour. She felt that for the time and effort she put into it \$5500 wasn't a lot. She talked to other treasurers whose responsibilities did not include reconciling accounts; they were just check signers. That led to her receiving compensation of \$8000 last year. She is happy with that compensation.

Mark Nielsen moved that the treasurer continue to receive compensation of \$8000 per year and the motion was seconded.

Laura Miller asked if that compensation is for LNSU duties as well as LNMUUSD duties. D. Clark said LNSU has a different treasurer.

The motion was passed.

Tina Lowe moved that the board chair continue to receive compensation of \$1800 per year and the motion was seconded and passed.

Kim Moulton moved that the school directors receive compensation of \$1500 per year and the motion was seconded.

Lois Frey asked if any consideration has been given to reducing the allocation for those who do not attend a goodly number of meetings. B. Sander said that has been discussed over the years. It is a problem, compounded by the fact that board members are elected and cannot be fired. It doesn't happen very often that someone misses a lot of meetings. He doesn't think there is currently anything we could do about that.

K. Orost asked why we couldn't have per-meeting pay. B. Sander said there could be a board member who is sick or out of town but does more committee work than others. He doesn't think we could do much for the ensuing year but it should be looked at and maybe we can talk to our attorney and come back with a proposal for next year.

L. Frey asked if the board could have a policy. B. Sander said he is suggesting that the board look into that.

Cat Gallagher said it may be uncomfortable for the board to make recommendations about board pay. We could seek counsel. She thinks for now it makes more sense to look at the article in question. B. Sander concurred.

Thad Tallman asked if there could be a motion to pay \$6250 per meeting. B. Sander asked, what about those who serve on 2 or 3 committees and get no extra compensation for that?

T. Tallman asked if board members in the past have gotten extra pay for being on committees. B. Sander said no. T. Tallman said we are paying for regular board attendance, not committees.

L. Miller said board members are not getting paid for going to extra meetings. Those on the budget committee have more meetings than some others.

C. Gallagher said the board chair and administrators may talk to people about their level of commitment. Some board members have resigned for that reason.

A voter asked if there is any compensation now for extra meetings. B. Sander said no and he doesn't think board members are looking for it. The voter asked what difference it makes then if the compensation is \$6250 per meeting vs. \$1500 per year.

B. Sander said sometimes a meeting is canceled for bad weather. People might feel left out if they were willing to come and were not paid. L. Miller said per meeting pay could turn into a bigger budget item if the board needed extra meetings. B. Sander said we do have more extra

meetings than canceled meetings. L. Miller said she goes on vacation every year and might miss a meeting but she spends extra time as clerk that she doesn't get paid for. J. Sander said if board members were paid per meeting and penalized for missing meetings there might be a board member who serves on at least 2 committees and is very good about attending meetings who is penalized for illness or vacation and another board member who doesn't serve on committees and misses a meeting. Both would be penalized the same even though their work level was different.

B. Sander said there are a lot of issues involved. He asked if the voters would be willing to have this referred to an attorney to see what alternatives are available rather than try to deal with it tonight.

Tina Lowe moved to call the question, Mark Nielsen seconded and the motion was passed.

The motion was passed.

Article V:

To hear and act upon the reports of the Modified Unified Union School District

D. Clark reviewed the treasurer's report. The audited cash balance as of June 30, 2107 was \$14,455,445 and the balance on June 30, 2018 was \$6,139,952. Most of the change was due to the Hyde Park construction bond being spent down. Final audit statements are available online at www.Insu.org and at the LNSU central office.

D. Clark provided information on the FY20 LNMUUSD budgets. The combined elementary budget is \$12,741,522, with combined ed spending of \$11,402,756 and per equalized pupil spending of \$16,876. The combined secondary budget is \$13,999,679, with combined ed spending of \$12,939,663 and per equalized pupil spending of \$16,359. The tech center budget is \$3,230,526.

Elementary level afterschool programming participation is 80% for Eden, 44% for Hyde Park, 61% for Johnson and 92% for Waterville/Belvidere. Extra programming opportunities include outdoor education, Lego robotics, Medtrek (exploration of health careers), computer shop, literary magazine, gardening, music, art, performing arts, student clubs, athletics, student council, and international studies and trips. There is significant community use of all facilities.

Article VI:

To receive from the Board of School Directors of said District its estimate of expenses of the Lamoille North Modified Unified Union Grade Schools for the ensuing year. This is a public information hearing regarding the budget. (See Article XII.)

The proposed elementary budget is \$12,243,146. Some expenses are covered by state and federal grants, so total expenses are \$12,741,522. That is a 1.24% decrease. Some money from audited reserves is being applied to the budget. Revenues are declining faster than expenses are increasing.

D. Clark reviewed main non special ed budget drivers. Salaries are up 5.52%. That is not just due to negotiated salary changes for next year but also due to some facility services being brought back into the budget. There had been cuts that were not in the best interest of community use of facilities. Purchased services is increasing 19.48%. Some services are centralized at the SU by state statute. Any employee who works in special ed part of the time is paid out of the SU for all their work so they only get one W-2. The general ed part of their pay is moved back to the district as a purchased service. The total change in non special ed expenses is \$518,029, an increase of 5.3%.

Article VII:

To receive from the Board of School Directors of said District its estimate of expenses of the Lamaille North Modified Unified Union Middle & High Schools for the ensuing year. This is a public information hearing regarding the budget. (See Article XIII.)

The proposed middle and high school budget is \$13,999,679. The secondary schools don't receive state and federal grant money like the elementary schools. There is just one small private grant that is not rolled into this budget. The total increase in expense is 2.97%. Special ed revenues are going down. Non special ed revenue is going up 9.31%. There is a significant use of reserve funds for revenue.

D. Clark reviewed budget drivers. Salaries are going up 7.21% due to salary increases and rebuilding the facilities budget. Purchased services are going up 5.97%. Benefits are staying relatively level. The assessment is going down. The middle school is increasing its investment in athletics. This year a deficit reduction amount for school nutrition services is being put in the budget. In the past the general fund has been able to accommodate the deficit but last year we came very close to the bone so this is being added to the budget so there are no big surprises at the end of the year.

D. Clark reviewed factors used in building the FY20 budget. The state property yield and state income yield are going up. The excess spending threshold is \$18,311. No LNSU or MUUSD districts were subject to threshold penalties in FY19 and no penalties are anticipated for FY20. The state property tax rate is \$1. State announced income sensitivity is 2%. The state non-residential property tax rate is \$1.58. As of June 30, 2018 there was an unassigned fund balance of \$374,295 available to apply to budgets. Of that, \$250K has been split between the elementary and secondary budgets. The board is requesting in Article IX that the remainder be moved to capital reserve. Unassigned fund balances can't remain unassigned at the end of the fiscal year.

D. Clark said there are key elements of the homestead tax rate calculation that are preliminary at this point: yields, non-residential rate, equalized pupils and common level of appraisal. They are all subject to change before the end of the legislative session. Early reports of budgets across the state are showing spending higher than anticipated. That could push the yield rate down and the tax rate up. Town reappraisals that occur prior to FY20 tax rates being published will change the current CLA and impact final tax rates.

A voter asked about the \$250K from the fund balance that was allocated to secondary and elementary schools. Was the portion going to the elementary schools allocated based on student

population? D. Clark said all the schools share the same budget so the money doesn't need to be allocated to individual schools. The revenue is applied to the whole bottom expense line, not individual schools.

George Putnam said there appeared to be a negative change in long term interest. He asked if D. Clark could explain that. D. Clark said middle school/high school debt was refinanced and at the same time principle was adjusted. We are still seeing interest savings. The long term debt right now is pretty flat. Over the last few years debt was structured so that as Hyde Park's bond debt came on others would mature so there wouldn't be big spikes.

Equalized pupil numbers are down compared to FY19. Total ed spending is increasing by 3.32%. We divide the ed spending by the equalized pupils to get cost per pupil, then divide by the yield to get tax rates. Then the Act 46 incentive is applied. The blended LNMUUSD tax rate before CLA is 1.5205. That is a 1.6 cent increase, or \$16 per \$100K of property value. But then we apply the common rate of appraisal. D. Clark showed what the tax rate for each town is after CLA is applied. The change per \$100K property value is negative \$4.06 for Eden. The other towns are seeing increases - \$58.66 per \$100K for Belvidere, \$37.80 for Hyde Park, \$46.68 for Johnson, and \$4.66 for Waterville.

Article VIII:

To receive from the Board of School Directors of said District its estimate of expenses of the Green Mountain Technology & Career Center for the ensuing year. This is a public information hearing regarding the budget. (See Article XIV.)

D. Clark reviewed notable factors affecting the GMTCC budget. Responsibility changes in administration allow for elimination of one administrative position. The power sports program is being removed. The budget includes support for new transcripts that need to be used for partner school record keeping needs. The budget keeps in mind possible upcoming legislation regarding skilled labor force training and career and technical education funding systems. GMTCC is beginning a team approach to helping partner schools with personalized learning plans. There was a 5.3% reduction in budgeted expenses but the reduction in the 6-semester average enrollment continues to drive the tuition rate upwards.

The proposed FY20 GMTCC budget is \$3,230,526, a 5.37% reduction. Tuition to be raised is \$1,259,592. That figure is divided by the 6 semester average FTE for per pupil tuition of \$9,821.

D. Clark showed historical data on tuition assessment and fall enrollment numbers. We should soon start to see the 6 semester average going up again.

L. Miller asked how many semesters a year there are. D. Clark said there are 2.

Article IX:

Shall the voters of said District hold an amount of the unassigned audited fund balance in the amount of \$124,295 as of June 30, 2018, in the established Reserve Fund for the purpose of meeting the capital needs of the Lamoille North Modified Unified Union School District #58?

D. Clark said use of capital reserve funds helps prevent sharp peaks in taxes for costly yet necessary repairs.

Mark Nielsen moved to hold an amount of the unassigned audited fund balance in the amount of \$124,295 as of June 30, 2018 , in the established Reserve Fund for the purpose of meeting the capital needs of the Lamoille North Modified Unified Union School District #58 and the motion was seconded.

A voter asked what capital needs will be met with these funds. Deb said there could be a problem with a boiler, a roof, an HVAC system, or heavy equipment. Those are possibilities. Capital needs are numerous. The money is used carefully. The finance/budget/bond committee weighs in. Anything that comes out of the capital fund is approved by the board.

B. Sander said there are planned expenses and then there are disasters that occur. For instance, a number of years ago, a roof collapsed under the weight of snow. That had to be addressed immediately and it cost about half a million dollars. That would be hard to deal with if we didn't have a reserve fund. The idea is to meet situations like that.

D. Clark said at the back of the annual report there are schedules of some recommended uses of capital funds over the next few years.

B. Sander said the gym floor at the high school is in dire need of replacement. That is expensive. The bleachers will have to be replaced at the same time as well as doors that are not handicapped accessible. If we make changes we have to bring the gym up to current code.

The motion was passed.

Article X:

Commencing with the 2020 annual meeting of the Lamoille North School District, shall notice of the availability of the annual district report be given by mail, media announcement and posting on the District's website at least 30 days in advance of all District annual meetings?

D. Clark said the cost to publish and mail reports is a little over \$10K. We are hoping to publish only about half as many and save around \$5K. Many of the reports that are mailed end up in the recycling bin at the post office.

Katie Orost moved and Mark Nielsen seconded to give notice of the availability of the annual district report by mail, media announcement and posting on the District's website at least 30 days in advance of all District annual meetings commencing with the 2020 annual meeting of the Lamoille North School District

Lois Frey asked if there is there any plan to have distribution to libraries and town clerks' offices. D. Clark said yes; they will be put out for people to grab in public places and they will be available online.

Thad Tallman asked, what about those who don't use the internet? D. Clark said people could still request that they be mailed. There would be a notice in the paper that they are available.

J. Sander asked, would postcards be mailed out saying they are available? D. Clark said yes. She believes the Town of Hyde Park has done this. Kim Moulton said yes, and it has worked great. A voter asked for clarification about what was said about mailing postcards. D. Clark said a postcard would be mailed instead of the big annual report. It would be less expensive to mail. The voter asked, every residence will still get a postcard? D. Clark said yes. K. Moulton said Hyde Park has saved money by doing this. D. Clark said we can produce the postcards in-house.

Cathy Mander-Adams said she doesn't see a proposed dollar figure for this article. D. Clark said we don't have a dollar figure for what it would cost to send postcards. If we send half as many reports, that is a savings of \$4500.

The motion was passed.

Article XI:

To transact any other business to properly come before the meeting.

George Putnam asked if the district always has an annual meeting about this time plus the meeting required by statute within 10 days of the budget vote. B. Sander said yes. G. Putnam asked, they can't be combined? B. Sander said no. D. Clark said there must be a meeting within 10 days of the budget vote and next week is always a school vacation week. B. Sander said it would make sense if we were able to do it.

Lois Frey said she finds it disheartening that there is so little information in the community related to school meetings like this. Ninety-five percent of the people she has talked to about the vote tomorrow don't even know what she is talking about. She thinks the school board should be trying to reach everyone, especially senior citizens.

B. Sander asked for suggestions about how the board could improve communications.

D. Clark said there was something just posted late today on Front Porch Forum. We are attempting different methods of outreach. Social media is tricky in terms of open meeting law. We have to be careful that board members don't engage and have an unwarned meeting. We are open to suggestions of good methods to explore.

C. Gallagher said she thought she had heard a question earlier about taxes. D. Clark said K. Orst had wanted her to talk about the possible effect of the vote tomorrow. If Cambridge comes into the union, it looks like there might be a 1.9% tax rate decrease for currently merged towns and less than a penny increase to the Cambridge tax rate. She can go into more detail on that at the budget information meeting on Monday.

A voter from Johnson said he thinks the question of outreach is an old problem. He has lived here his whole life and it has long been a problem to get a large percentage of the public involved.

B. Sander said a lot of people show up if there is discussion of eliminating a sports team or a team at the middle school or about schools not staying open for community events. That information gets out somehow.

Another Johnson voter asked if information can be posted several times and not just once. People may not read Front Porch Forum every day. B. Sander said that makes sense on Front Porch Forum. The notice for this meeting was in the News & Citizen. He is not sure how many even noticed it. J. Sander said there is one problem with doing multiple posts to Front Porch Forum. She is not sure if their rules have changed but a few years ago a post on Cambridge's Front Porch Forum about something like sports team signups was rejected because it had already been published twice.

C. Gallagher said there were two Front Porch Forum postings. Warnings for the vote and the information meeting were placed in the paper. Every school administrator got flyers that gave out the facts. The board is careful to present only facts, not opinions. A robo-call went out tonight explained what a yes vote or a no vote means. Notices were posted in libraries, town clerks' offices, municipal buildings, at the Lamoille County Sheriff's office, and at Copley Hospital. She is open to suggestions about better ways to get information to people.

K. Orost moved and M. Nielsen seconded to recess the meeting to March 5, 2019 (Town Meeting Day) for the purpose of voting by Australian ballot at the usual polling places in the member districts, the motion was passed and the meeting was recessed at 8:22.

The meeting reconvened on March 5, 2019. Ballots were brought to the LUHS library where they were commingled and counted under the supervision of the LNMUUSD clerk. The number of ballots cast for Article XII was 694. Results of the vote for Article XII (the PreK-6th grade budget) were 395 in favor, 289 opposed, and 10 blank. **Article XII was passed.**

The number of ballots cast for Articles XIII and XIV was 1057. Results of the vote for Article XIII (the middle school/high school budget) were 748 in favor, 294 opposed, 14 blank and 1 spoiled. **Article XIII was passed.** Results of the vote for Article XIV (the GMTCC budget) were 821 in favor, 217 opposed, and 19 blank. **Article XIV was passed.**

Minutes submitted by Donna Griffiths