

Lamoille North Modified Unified Union School District
Minutes of Meeting (draft)
January 16, 2017

Board Members: Angie Evans, Belvidere; Mark Nielsen, Johnson; Bill Sander, Cambridge; Heather Hobart, Cambridge; Dave Whitcomb, Andrew Beaupre, Hyde Park; Angela Lamell, Johnson; Laura Miller, Cambridge; Mark Stebbins, Cambridge; Patti Hayford, Hyde Park; Katie Orost, Johnson; Chasity Fagnant, Hyde Park; Heather Rodriguez, Johnson; Wade Chivington, Waterville

Others: Catherine Gallagher, Superintendent; Deb Clark, Business Manager; Michele Aumand, Kate Torrey, Waterville Elementary School; Melinda Mascolino, Eden Elementary School; Brian Schaffer, LUHS, Diane Riley, Hyde Park Elementary School Principal; Dylan Laflam, Facilities Manager; Brian Pena IT Systems Manager; David Manning, Johnson Elementary School.

Minute Taker: Sue Trainor

Call to Order, Adopt the Agenda, Announcements and Public Comment. Chair Whitcomb called the meeting to order at 6:02 p.m. Sander made a motion, seconded by Nielsen, to adopt the agenda. The motion passed unanimously.

Melissa, an audience member from Belvidere, addressed the Board as part of Public Comments. She stated her disappointment in the recent decision to discontinue sending Belvidere students to Waterville. She was unhappy with the way the decision had been made. Melissa believed that the Board only looked at the financial implications and did not take into consideration the impact to Belvidere and Waterville students. She stated that it was important that a study be conducted beyond the financial impacts and thought that was why a three-year continuity clause had been put in place. She noted that Belvidere had voted to join the Unified Union in good faith, had been led to believe certain things, and now she felt Belvidere had been lied to. Additionally, she stated that none of the students wanted to go to Johnson Elementary School; it was a 34-mile trip to Johnson. All the receiving schools seemed to be maxed out, with Eden off the table because of the number of students currently in attendance. Bussing would be a problem as well. While she knew that Waterville would vote again on this issue, she didn't believe the vote would pass. She asked for a promissory note stating if Waterville joined the Union that Belvidere students would be able to go there. Whitcomb thanked Melissa for her comments and noted that this Board was just getting started. He requested that individuals contact their State legislators to discuss their concerns as well.

Angie Evans stated there were rumors in Waterville that if Waterville joined the Union their school would be shut down and students from Belvidere and Waterville would be sent to Eden and Johnson. Evans asked if assurances could be made that that would not be the case. Additionally, she asked that if Waterville voted not to join and students were sent to Johnson or Eden, could a representative from Belvidere work with the principal of the receiving school to ensure that children were placed in classes with other Belvidere students until the students had become accustomed to the new school. Evans then asked if another Modified Union Board member could attend the Belvidere Town Meeting day to help her answer questions about Act 46. Evans also wondered if tax dates would remain the same. Clark said that the collection of taxes was still town specific and the timing of collections shouldn't change. Finally, Evans stated that Belvidere parents

were requesting that they be allowed to choose the school their students attended, with the parent providing the transportation.

In response, Whitcomb stated the Board couldn't stop the rumors. The law was the law and the Board needed to work with the law. He explained that the Board was asking for interpretations of the law constantly from the Agency of Education. He again encouraged parents to speak with their representatives and senators. Evans said the rumor of the Waterville School being closed still needed to be addressed. Gallagher said information later in the meeting would answer that.

Routine Business: Consent Agenda Items

Minutes of the December 19, 2016 Meeting: Sander made a motion, seconded by Chivington, to approve the minutes. The motion passed unanimously.

Gallagher then addressed the Board, reminding the members that when they were elected to the Board it was with the understanding that the Board spoke with one voice to the public. She explained that much of the information being circulated had not been in the kindest of spirit and many things had been taken out of context. Gallagher encouraged Board members not to take things being posted on Facebook or Front Porch Forum as being accurate and to be vigilant about addressing these comments. She suggested encouraging residents to attend public meetings to get their questions answered and discussed in the appropriate forum. Everyone was working on these issues for the behalf of all the students in the District, who ultimately would all come together in Grades 7-12.

Gallagher informed the Board that those Board members elected for 1-year terms wouldn't begin that term until the Annual Meeting Date of February 20th. Therefore, there would not be anyone on the ballot.

Gallagher provided the Board with a memo to Senator Westman and Representative Juskiewicz from Donna Russo-Savage in which the question was asked what would happen if Waterville decided to join the Modified Union. The response stated: "It seems reasonable to conclude that if the school located in Waterville becomes one of the elementary schools operated by the MUUSD, then the school would be considered the school in the Belvidere elementary students' "town of residence." As such, the students in Belvidere would attend elementary school in Waterville until at least July 1, 2020 under the provisions of Article 17." Gallagher wanted this to be the Board's understanding and thought this would be reassuring to Waterville voters. Gallagher wanted to honor that in this meeting by hearing from the Board. Gallagher asked if anyone on the Board disagreed with this interpretation from Russo-Savage.

Chivington noted that no one had directly responded to Gallagher's question and asked for a very clear and direct response from Board members. He asked if this was this Board's interpretation of what would happen if Waterville joined the Union. Miller stated she had been on the Committee that wrote the Articles and that was the exact intent of that article; that anyone in the Unified Union would not have to change schools. They had originally considered five years, but reduced it to three years. The Committee members had agreed at that time they did not want anyone to have to change schools.

Stebbins stated the Board had come to the recent decision as a cost-savings measure. Sending students to another school following a decision by Waterville to join the Union would defeat the purpose. Sander stated the overwhelming majority of the Board wanted students to attend Waterville but the costs were excessive. The Board would be derelict in their duties if they agreed to pay tuition. Rodriguez stated it wouldn't make sense for students to go to Johnson and she supported students attending Waterville. Lamell, Hayford and Beaupre agreed, with Beaupre saying there was no ill will toward Waterville and that Waterville would be accepted wholeheartedly by the Board. Sander stated it was a thoroughly unintended consequence as a result of Waterville not voting to join. It was not anyone's intent at the outset and the solution was still being worked on. Chivington thanked the Board members.

Discuss & Approve FY '18 Budget: Deb Clark presented the budget to the Board. She outlined that this budget represented services provided to 5 campuses and a total of 1,559 students of as October 2016.

Elementary School total expenses of \$11,468,866 were decreasing \$659,231 or 5.44%. These expenses were made up of \$9,110,628 of Non-Special Education expenditures, an increase of \$36,456 or .4%. Special Education costs were decreasing \$695,687 or 22.78% for a total of \$2,358,238. The Special Education costs were decreasing as a result of the expenses being housed at the Supervisory Union.

High School expenses of \$13,483,651 were decreasing \$1,810,347 or 13.43%. These expenses were made up of \$11,988,326 of Non-Special Education expenditures, an increase of \$72,735 or .61%. Special Education costs were decreasing \$1,883,183 or 55.74% for a total cost of \$1,495,325.

The combined Modified Union District budget for expenditures was \$24,952,517, a decrease of \$1,810,347 or 6.6%.

Orost questioned how \$1.8 million was being saved. Clark explained the assessment was being divided differently than when it was expensed to the locations. Schaffer explained it was actually increasing elsewhere. Sander stated it spread the Special Education costs out between all schools and was no longer school specific.

Clark continued, outlining the revenues for the FY18 Budget. The total revenues before reserve funds were applied were \$2,875,101, a decrease of \$2,844,052 or 49.73%. These revenues consisted of Non-Special Education funds of \$1,397,248, a decrease of \$141,789 or 9.21%, and Special Education revenues of \$1,477,853, a decrease of \$2,702,263 or 64.65%. A total of \$283,811 of reserve funds was applied. These were decisions made at the local level. It was an increase of \$123,515. The reserve funds consisted of \$100,000 from Johnson, \$100,000 from the High School/Middle School budget, and \$83,811 from Hyde Park.

Budget drivers for the \$36,456 change in the Non-Special Education LUSD elementary school budget were:

- a .7% increase of \$44,253 in Net Salary and Benefit Changes;
- a 11.70% decrease of \$209,649 in Net Purchase/Contracted and Tuition Services, which included a change in tuition expense at Belvidere and estimated increases in transportation costs;

- a 5.65% increase of \$23,260 in Net Supplies;
- a 33.01% increase of \$37,080 in Net Equipment, which included new laptops for faculty and replacement Chromebooks for instruction; and
- a 33% increase of \$141,512 in Net Miscellaneous, which included Hyde Park interest and savings in bond funding.

Budget drivers for the \$72,735 change in the Non-Special Education LUSD budget were:

- a 1.16% increase of \$84,549 in Net Salary and Benefit Changes;
- a 4.86% increase of \$135,974 in Net Purchase/Contracted and Tuition Services. This included \$80,000 to move the Middle School Discovery services to Laraway.
- a 3.26% increase of \$24,623 to Net Supplies;
- a 31.09% increase of \$63,500 to Net Equipment. This included costs for Lancer 1, new workstations for Art and new computer equipment for faculty.
- a 27.73% decrease of \$235,910 due to reduction in debt servicing and tuition costs.

Clark outlined the factors used in building the FY18 Budget: State Property Yield: \$10,076; State Income Yield: \$11,875; State Property Tax Rate: \$1; State Non-Residential Property Tax Rate: \$1.55; Excess Spending Threshold: \$17,386; State Announced Income Sensitivity: 2%.

Clark then presented the estimated FY18 Tax Rates. The combined educational spending of \$9,420,779 with combined equalized pupils of 622.1 and per equalized pupil spending of \$15,144 provided the following results. After the \$.08 incentive was applied:

Belvidere: 1.501, a reduction of \$171.94 on a \$100,000 property value
 Eden: 1.457, a reduction of \$204.19 on a \$100,000 property value
 Hyde Park: 1.370, a reduction of \$48.52 on a \$100,000 property value
 Johnson: 1.377, a reduction of \$9.13 on a \$100,000 property value.

If Waterville were to join the MUUSD, an additional \$1,092,579 would be added to educational spending. The equalized pupil count would increase to 672.67 and the per equalized pupil spending would go up to \$15,629. After the \$.08 incentive was applied:

Belvidere: 1.528, a reduction of \$144.78 on a \$100,000 property value
 Eden: 1.483, a reduction of \$177.84 on a \$100,000 property value
 Hyde Park: 1.395, a reduction of \$23.72 on a \$100,000 property value
 Johnson: 1.402, an increase of \$15.78 on a \$100,000 property value
 Waterville: 1.627, a decrease of \$194.74 on a \$100,000 property value.

Beaupre asked about the transfer of funds to Laraway. Schaffer explained that the Discovery Program had worked with students who often posed behavioral challenges in the regular setting. That program had diminished in size over the years. The \$80,000 was providing a support center for all students rather than a diminishing population. Miller asked about Lancer 1. Schaffer stated this program provided an I-Pad to all students. In years past these funds came from capital reserve funds but were now coming from the

regular funding stream. Clark noted there were technology pressures on budgets across the District as the cyclical replacement of computer devices had been sidetracked and now needed to be addressed.

Orost asked why Eden and Belvidere had not contributed funds to the reserve funds. Clark stated those towns had no funds to contribute.

Melissa from the audience asked what scenario was used for Belvidere students: Eden or Johnson. Clark stated she split the difference. In response to an earlier question, Clark stated that the bus company had provided her with the \$90 figure to use in her analysis. Clark explained to Melissa that the \$400,000 figure quoted was a tuition charge and did not include busing costs.

Gallagher stated there would be no decision at this meeting about sending students to either Johnson or Eden.

Nielsen made a motion to approve the FY18 Combined Elementary Budget of \$11,468,866, with a per equalized pupil spending of \$15,144. Beaupre seconded the motion. The motion was approved by all, except for Chivington who abstained.

Stebbins made a motion to approve the FY18 Union School Budget of \$13,483,651, with a per equalized pupil spending of \$15,691. Miller seconded the motion. The motion was approved by all, except for Chivington who abstained.

Discuss & Approve Warning for Annual Meeting: Gallagher and Clark reviewed and explained the individual Articles in the Warning of Annual Meeting for the Lamoille North Modified Unified Union School District #58. There was discussion on the scheduled date for the informational hearing on the budget. It was determined that the date would be February 28th. Sander asked if Article 8 referred to the high school/middle school. Clark said it did.

Orost was concerned about using the term ‘elected officials’ in Article II. She noted that Johnson used the term ‘officers’ and asked for the word ‘elected’ be removed. Whitcomb urged the Board to use ‘elected officers’, as once they were appointed they were considered elected. Following further discussion, Sander suggested using the term ‘duly constituted officers.’ The Board agreed to use that term.

Orost made a motion, seconded by Nielsen, to approve the warning as modified. The motion passed unanimously.

Subcommittees Meet – Focus on Annual Meeting Needs

Operations/Facilities and Technology: Dylan Laflam provided blueprints and budget information on the renovation of the Hyde Park Elementary School. Construction would begin on June 15th, with half of the complex being demolished. The 1950 and 1980 wing would be removed. There would be no longer be a courtyard. The 1800 wing would be fully renovated. A new three story compact classroom would be built. There would be minor renovations to the gym and major renovations to the kitchen. The

building would be up to code, with an elevator installed. Impervious surface would increase 2%. The small children's playground would remain. The parking lot would be enlarged along with a new bus loop. All playground equipment would be salvaged.

The new gym can be segregated from the rest of the building so people won't be able to access the building during evening or weekend events. The second floor would have music and art classes, but will primarily be offices. There would be soundproofing in all the walls. The historic stairwell would be removed. Three feet would be cut out of parking lots and graded so the entryways into the school would be at ground level. There would be an art room with a dedicated kiln room. All mechanicals would be outside in a separate building so contractors could be given a key to service the machinery. Guidance would have their own classroom. They were hoping to be able to install a Garland Roof system, which has a 100-year guarantee.

Laflam then informed the Committee they were looking at two additional large-scale projects: a new sugarhouse and renovating the high school gym. Rough estimates were available, but no final numbers.

Brian Pena then took the Committee on a tour of technology items.

Subcommittees Report Out

Communications/PR: Rodriguez reported they had discussed how to have representation at the Waterville meeting. The Committee members didn't feel it was their place to go. The Waterville meeting would be held on February 16th with a vote on the 21st. Chivington was asked if he was going to attend, but he had not committed to that yet. Angie will be in attendance and the Waterville Board Chair will be there.

Finance: Miller reported that Mark was going to take over the Clerk work. She stated that a lawyer had been hired to look into the DBA, DUN number and the EIN. Whitcomb asked why the Superintendent's Office couldn't handle this. Board members stated that because it was IRS-related, it was best to hire an attorney.

Policy/Legal: Orost reported they had reviewed all the required policies. They will be provided to the entire Board at the next meeting and warned for adoption at the following meeting. They were also reviewing the list of suggested VSBA policies.

Adjourn: Hobart made a motion, seconded by Sander, to adjourn the meeting. The motion passed unanimously and the meeting was adjourned at 7:53 p.m.

Next Meeting:
February 20, 2017