

LNSU Board Special Meeting
Minutes of Meeting (draft)
December 19, 2016

Board Members Present: David Whitcomb, Lisa Barry, Bernard Barnes, Jan Sander, Richard Bailey, Raven Walters, Katie Orost, Bobbie Moulton, Eve Gagne, Angie Evans, Deb Baker, Jeff Hunsberger, Jim Osborn.

Others: Catherine Gallagher, Michele Aumand, Deb Clark, Charleen McFarlane, Jennifer Stevens, Jade Hazard, Sherry Lussier, Wendy Savery, Kate Torrey, Mary Anderson, David Manning, Melinda Mascolino, Dylan LaFlam, Jim Osborn

Minute Taker: Sue Trainor

Call to Order, Approval of Agenda and Public Comment: Whitcomb called the meeting to order at 5:41 p.m. with the Pledge of Allegiance. Orost made a motion to approve the agenda, seconded by Moulton. The motion passed unanimously. There were no public comments.

Approval of Consent Agenda Items:

Board Minutes of November 28, 2016: Moulton made a motion, seconded by Barry, to approve the minutes. The motion passed, with Walters abstaining as she had not attended the last meeting.

Clerk's Report on Director's Orders: Moulton made a motion, seconded by Sander, to approve the Director's Orders in the amount of \$2,090,062.43. The motion passed unanimously.

Presentation of LNSU FY 18 Budget and Possible Action: Clark presented the FY18 budget to the Board, noting there had been no changes made since the initial preliminary presentation. She explained this budget reflected the second year of transportation costs accumulated at the SU level, along with increased consolidation of Special Education positions. There was a reallocation of resources at the Central Office to support increased output review, a comprehensive benefit adjustment/allowance for employees/positions upgrading their plans, and salary increases between 1-3%.

Clark provided the budget totals with and without Special Education costs. The FY18 Non-Special Education Assessment costs totaled \$1,462,246, a 6.7% increase. While Special Education costs will be higher, the revenues will go up significantly, as most Special Education funds will now go to the SU. The individual schools will only be responsible for para-educator salaries. The rate of revenue to expense in FY18 will be 63.17%. Last year it was 12.3%. The FY18 Assessment with Special Education costs will total \$3,493,246.

The combined miscellaneous revenues will total \$5,656,881. Clark asked that the Reserve of \$79,713 be applied to the Fund Balance. She also noted that the grant administration costs were going up approximately \$10,000 this year.

Clark then moved on to the Non-Special Education Assessment Change of \$92,000. Four budget factors were responsible for the increase:

Salary increases averaging 2.6%, for a total of \$26,861 or 29.30%

Benefit Increases of \$54,436 or 59.37% of the total increase.

Purchase/Contracted Services, which included Property and Liability Insurance, of \$4,411 or 4.81%, and Supplies, Equipment and Misc, totaling \$5,983 or 6.52%

Clark briefly reviewed the FY18 Estimated Assessment for the individual schools, noting that there was a slight net impact at the local sites. This was due to the fact that what little Special Education costs they incurred didn't have the block grant applied to offset it.

The FY16 audited change to the Fund Balance was \$91,784. Clark requested that \$79,713 of that be allocated to offsetting the FY18 assessment. The total General Fund Balance at the end of FY16 was \$281,737. \$79,713 was committed for the FY17 assessment, leaving an Unassigned amount of \$202,024. Currently there was an Unrestricted Fund Balance of \$125,202. In FY17 the budget was assuming an indirect rate for grant administration of 2.57%.

Clark then highlighted the factors used in building the FY18 budget:

The State Property Yield, which replaced the Base Education Amount for Homestead Tax Rate was \$10,076.

The State Property Tax Rate was \$1.

The Excess Spending Threshold was \$17,386. In FY17's budget it was \$16,905. No LNSU Districts were subject to threshold penalties in FY17 and none anticipated for FY18.

The State announced income sensitivity was 2%.

Orost asked for information on the reallocation of resources to support increased output review. Clark explained it was determined that half a person was needed to do more detailed review so as to determine the accuracy of reports going out. Orost then asked how the 2.6% salary increase had been developed. Clark stated it was an average based on expected employee changes. Walters asked for clarification on the 2% income sensitivity factor. Clark explained the State issued a percentage to determine the income sensitivity on all the towns.

Osborn asked if there was a separation between the capital expenses and the operating expenses. Clark stated there was not at this time. It had not been reported that way in the past. Chivington asked if tuition factored into this information. Clark stated it was not a factor.

Sander made a motion to approve the FY18 Budget of \$9,332,011 in total and apply \$79,713 of the audited Fund Balance to support the General Assessment Budget of \$3,493,246. Moulton seconded the motion. The motion passed with Osborn abstaining.

Negotiations Update: McFarlane explained that Sue Prescott was the spokesperson for the negotiation team. All minutes of meetings are available on the Lamoille North website, offering updates on language changes and salary proposals. Two meetings have been held with both the support staff and teachers and a meeting has been scheduled for January, February and March.

Other Business: There was no other business.

Adjourn: Moulton made a motion, seconded by Barry, to adjourn at 6:05 p.m. The motion passed unanimously.

Next Meeting Dates:

March 27, 2017

May 22, 2017