

LNSU/LNMUUSD BUDGET COMMITTEE MEETING
MONDAY, JANUARY 8, 2018
CAMBRIDGE ELEMENTARY SCHOOL

Board members present: Laura Miller, Lisa Barry, Amanda Tilton-Martin, Katie Orost, Bobbie Moulton, Andrew Beaupre

Others: Deborah Clark, Brian Schaffer, Wendy Savery, Diane Reilly, Dylan Laflam, Brian Pena

Note: All votes taken are unanimous unless otherwise noted.

1. *Call to Order and Approval of Agenda*

A. Tilton-Martin called the meeting to order at 5:04. The agenda was approved by consent

2. *Consent Agenda Items*

A. Tilton-Martin said there were not enough committee members present to approve the minutes. Minutes approval will be on the agenda for the full board meeting.

3. *Review LNMUUSD Budget, Fourth Draft*

D. Clark showed the board the predicted change in the tax rate due to the state changing the yield, a 2 % increase to ed spending, and drastically changing CLA's. This is after administrators made cuts as requested to level fund their budgets. (*K. Orost and B. Moulton arrived at 5:06.*)

D. Clark said over the weekend she made a change to the assessment. Last year she calculated the assessment the same way Marilyn Frederick had done it for FY17. Looking at it again, she doesn't think it included the right October 1 ADM number, so she made a change.

B. Schaffer said creating a budget for a school the size of LUHS can take 40-60 hours. After the December 28 budget committee meeting he found out administrators were to scale back their budgets. He takes the responsibilities of running a multiple million dollar budget seriously. Making cuts to the budget in that time frame posed some challenges. He felt this process was late to come. Had directions been different up front through administrative channels he feels administrators could have delivered a better product the first time.

He feels his job is to hold our place together while we migrate from Carnegie units to a proficiency based system. He and W. Savery identified areas to cut. He feels we are cutting close to the bone, which might cause more problems than presenting increases to the taxpayers.

Both the middle school and high school are experiencing technology that is lagging. New computers are being removed from the budget. That probably will have an impact on students taking graphic arts classes. They are limping by now. Up until this year PowerSchool has just been a high school expenditure. There is a savings to the high school because it is now in elementary budgets. B. Schaffer removed from the budget some

funds for additional help with migration to proficiency based learning. He reduced the amount budgeted for classes for teachers.

W. Savery said she reviewed the history of what was spent on tuition over the past few years. Even though tuition is mandated in the master agreement she felt she could cut \$10K from the tuition line. It is a bit of a risk because teachers are entitled to tuition but based on the expenditure history she felt it could work. There is a desperate need for new computers but we can limp along another year without them. She cut the after school program by \$3K. This year she has a lot of young teachers with families so she hasn't had as robust a program. She had already level funded the middle school component that is separate from the high school budget. She has now reduced the middle school budget well below level funding. It is absolutely bare bones.

D. Reilly said last year HPES cut its budget by 6%. So she is now trying to level fund to a budget that was cut 6%. She was able to cut 6% due to the fact that they were out of their building. She cut programming with the intention of putting it back in the future and now the expectation was that she would cut \$85K out of a budget that had already been cut 6%. The current year's budget does not include salary for the preschool program.

L. Miller asked, D. Reilly is saying the FY18 HPES budget did not include any preschool because she knew HPES wasn't going to have preschool this year? D. Reilly said that is right. A lot of maintenance was also cut. They cut everything they possibly could because they would be out of their building for a year and they wanted to be as efficient as possible. Now she is being asked to cut another \$85K. Her main concern is the preschool program. HPES usually has overage for food service. She is not budgeting for that. She is not getting new guided reading books that are needed. She eliminated a para.

L. Miller said when the committee looked at how much the HPES budget was increased those kinds of things weren't taken into consideration. She said she participated in the last meeting by phone. She asked if K. Orost realized that preschool was not even included in the HPES budget. K. Orost said yes.

D. Clark said the cut D. Reilly is talking about is not evident in the bottom line numbers when comparing FY17 and FY18.

D. Reilly said in FY17 they cut a teacher. Their math coach was on sabbatical for a year and for FY17 they did not have that position. This year, rather than putting a person back in that position she paid people within the building extra and added a half time reading and math interventionist. Part of the increase from FY17 to FY19 is putting back the math coach. They have taken advantage of situations like someone going on sabbatical whenever possible. That is why HPES has had a run of years with around \$100K in fund balances. They are really conservative and save money whenever they can.

L. Miller asked, legally they have to have a preschool, don't they?

D. Reilly said it is really important for the community to get preschool back.

D. Laflam said these cuts are deep. What concerns him is that the cuts are hurting the support facilities can offer to athletics. We will not be able to have facilities staff working on weekends.

L. Miller asked if there is building use we charge for. D. Laflam said yes. The full board will discuss that in the coming year. The charge doesn't really cover all the cost of facility use. That has been the case in other schools he has worked in as well. We had 6 hours of overtime recently for opening up Lamoille Union for emergency shelter and he covered it because he is salaried and doesn't get overtime. He is a school board member so he understands the situation. He could maintain these cuts for a year. Last year he took out all professional development. His staff has had no professional development 2 years running. This year he took out all overtime. We have had a 3% increase in salaries and a 2% increase in energy costs. Hyde Park is the biggest loser. The HPES maintenance budget was cut a lot because the money was not needed during construction of the new building. We can maintain that level of funding next year because the new building will be under warranty. He can maintain these cuts for this year but next year he will have to try to make up some of the funds cut this year and also pay for salary increases, utilities increases and any repairs needed. We used to have a healthy repair budget. We are cutting into it. This is the first year we have had preventive maintenance schedules at all the elementary schools. He thinks in the long run it will save money. It's the next thing on the chopping block, though. If we take out salaries and insurance and look at just repairs, equipment and purchased services, D. Laflam had a higher budget in 2010 than in 2018.

L. Miller asked, if there is going to be a need for work on a weekend, can't D. Laflam have an employee work fewer hours during the week so they can cover the weekend hours? D. Laflam said we try to do that. But that means getting less custodial work done. We get complaints when we try to do that. We could do less custodial work. Stowe High School cleans their rooms once every 3 days.

W. Savery said she really wants to support what D. Laflam is saying in terms of cleanliness and health. In her 5th year here she has seen much more sickness. She is not saying it is all due to that, but she is concerned.

L. Miller said maybe if an employee is working on Saturday during a game they could do some cleaning then. There has to be a couple of hours when they could do their work during the game. D. Laflam said maintenance employees don't cover basketball games; they just do the custodial work at the end. He doesn't normally have staff on site on Saturday because Tim Messier mans games. If T. Messier can't make a game then it is typically a facility staff member.

D. Reilly said HPES doesn't have a custodian in their building until 11:00 am so if there is cleanup that needs to be done before then the principal is in charge of it.

D. Laflam said we can start to change how we are doing business. Now we have a fairly high level of facilities support. We can reduce the budget and cut back. D. Clark said maybe then community use would get turned down more often.

D. Reilly said community use in the HPES building provides goodwill. People in the community are paying their taxes. Usually she asks people using the building to pay whatever it costs per hour to provide a custodian. They don't get a ton of community use. If it's a commercial use she can understand having a higher rate, but our community supports us so much we want to be able to support them.

D. Clark said community use was a big issue in Act 46.

D. Laflam said Lamoille Union is booked every weekend from now until March. In the past we have talked about having someone from maintenance working weekends but the money isn't there for that now. The cheapest way for facilities to reduce costs is reducing the hours buildings are open. Lamoille Union is booked from 5:00 am to 8:00 pm now. D. Reilly said Hyde Park is using it on Sundays for basketball.

W. Savery said this is one of the few districts she has worked in that doesn't have a robust user fee and a tiered system. D. Laflam said Barre had a \$500 fee to use the gym. We charge \$50. K. Orost said it should be looked at and there should be uniformity among all campuses. Johnson has a tiered system. A. Tilton-Martin said Waterville has a deposit that is returned and that is it. D. Laflam said we have had weddings. D. Reilly said Hyde Park has had funerals, which is important to our community. It was suggested that there could be special exceptions to the normal fee.

B. Pena said he has cut instructional technology for Hyde Park, the high school and the middle school, and made cut in IT infrastructure and purchased services. There were a lot of cuts that affected the high school. Our liabilities did not go away with the reductions so there is concern about keeping the same level of service. There are consistent yearly increases in cost in addition to our existing liabilities. Instead of moving upward to address increased costs and high demand for IT, with these significant reductions we are going downward. When it comes time to start going upward, he doesn't know how we are going to get there. It will be a long road to get back what we cut out and if we do that we will still be behind due to inflation and increasing costs of technology.

W. Savery said the middle school has heavy technology use. They are big on project based learning. Eighty percent of LUMS teachers are using a web based learning management system. If infrastructure is not working properly, particularly wifi access points, it really impacts instruction.

B. Pena said wireless is important now and in the future, and is used for testing, so we need to make sure it is in the forefront and ready to go so we can minimize downtime.

D. Clark said we will look at using capital reserve to cover some of the infrastructure cuts, but there is going to be more competition for capital funds from facilities.

B. Pena said in his original budget about \$35K would have been dedicated to upgrade aging technology in the art labs. Research lab teachers have also expressed frustration with slow devices.

L. Miller asked if the tech center has something like the art lab. B. Pena said the tech center does have its own devices. There is a separation between the tech center and the high school/middle school. He doesn't know about the feasibility of high school or middle school classes using tech center equipment. B. Schaffer said he reached out to Sherry Lussier after getting instructions after the December 28 budget committee meeting to make budget cuts. They talked about potential options. He asked if it would be possible for high school students to come to the tech center towards the end of the tech center day. S. Lussier entertained the conversation but that is as far as it went because there are still uses by GMTCC students during that time. It is possible that some tech center devices could go to the high school after they are replaced at the tech center. We do a great job of sharing resources with GMTCC when it is feasible but it just doesn't seem feasible in this case.

B. Schaffer said we need to talk about class sizes at some point but small is not necessarily bad, especially when students are asking for personalized learning options. That is why he is protecting staff first and foremost.

D. Clark said every \$115K cut from the elementary budgets reduces the tax rate by one cent. At the high school, it takes a cut of \$160K to reduce the tax rate by one cent.

D. Clark said a majority of the central office cuts were in health insurance. The new health insurance in FY19 is a high deductible plan married to a Health Reimbursement Arrangement (HRA.) The employer is funding a majority of the HRA. That helps employees pay for their maximum out of pocket. Originally in the budget we were going to fund 100% of the employer contribution to the HRA for the first year because we don't have use data. We do have claims data from the current plans, so D. Clark went through the budget one more time and analyzed health insurance without funding the HRA 100%. This budget cuts allowances we had built in. For instance, \$10K for legal was taken out. The concern is that it sets us up for potential deficit spending if things beyond our control occur that we no longer have allowances for. D. Clark said she thinks we can do this for a year. In 2020 maybe we can start rebuilding the budget in a meaningful way. We are cutting to the bone. She would hate to set us up for deficits. That would drive the budget up in a reactionary way.

D. Clark said the reduction in yield and changes in CLA drive the budget up.

D. Laflam said this budget takes all the surplus funds. D. Clark said not all. There are some initiatives that will have to be paid for with capital funds. Right now there is an unrestricted surplus of \$321K at the MUUSD level. Only \$150K of that is applied to the MUUSD budget. The other surplus funds are applied at the SU level to keep the assessments down. The SU has a very healthy undesignated surplus. The committee could take

another look at it after taking the pulse of the board tonight and try to drop the budget. Applying more of the surplus only reduces the assessment, which is diluted by the fact that GMTCC gets the assessment benefit of the reduction but isn't part of the tax rate. Cambridge also gets the benefit of the reduction but isn't part of this tax rate. One board member commented that we have to have plans in the case the budget is voted down. We don't want to use all our resources.

D. Reilly said last year Hyde Park gave pretty much all of their surplus back to the town. They didn't keep any in capital reserve. She is concerned that if something happens we will need to be able to access some money. B. Pena said with this budget if something like a switch or a server breaks funds to replace it will have to come out of capital.

D. Clark said this budget increases ed spending per student by \$670. Ed spending is what generates the tax rate.

W. Savery said at the annual meeting people may be unhappy because they were promised savings with consolidation. Many don't understand that we don't have control over all the factors that affect the tax rate. There will be a need to address that. A. Beaupre said he agrees. He thinks we will have to make that understandable to the common voter. And we will need to explain what each of the cuts are going to do and how they will affect the community. That explanation can't only be at the annual meeting. We have to try to get it into the press. D. Laflam said one good thing is that tax rates in all districts in the state are increasing. D. Clark said after the budget is approved she will sit with a reporter and walk through what this all means and what was done to control the rate.

There was a suggestion to look at what the tax rate would be if the base rate and CLA hadn't changed. D. Clark said she ought to be able to do that for the next board meeting.

L. Miller and D. Clark said with a level funded budget Cambridge will have a 9 cent increase.

A. Beaupre said we need to explain to voters that it's not us, it's the legislature.

D. Reilly said she would like to ask the board to allow her to put her preschool program back in.

D. Clark said the full board will get this budget. They will get information about factors affecting the budget. She will talk about the increases to teacher, administrator and support staff salaries. Level funding in light of those increases means cuts in other programming and services.

4. *Discuss Future Agenda Items*

The committee agreed to meet again on January 11 at 6:00.

5. *Adjourn*

It was moved and seconded to adjourn at 5:54 and the motion was passed.

Minutes submitted by Donna Griffiths