

**Lamoille North Supervisory Union and  
Lamoille North Modified Unified Union School District Board  
Minutes of Meeting  
January 13, 2020**

**Board Members Present:** Belvidere: Stephanie Sweet; Cambridge: Mark Stebbins, Bernard Barnes, Laura Miller, Jan Sander, Bill Sander (phone); Eden: David Whitcomb (phone), Jeff Hunsberger; Hyde Park: Lisa Barry, Chasity Fagnant, Patti Hayford; Tina Lowe; Johnson: Katie Orost, Angela Lamell, Bobbie Moulton, Lauren Philie, Mark Nielsen; Waterville: Bart Bezio

**Board Members Absent:** Cambridge: Sue Prescott

**Administrators Present:** Catherine Gallagher, Deb Clark, Charleen McFarlane, Michele Aumand, Brian Schaffer, Melinda Mascolino, Jan Epstein, David Manning, Erik Remmers, Brian Pena, Dylan Laflam, Jennifer Hulse, Jeremy Scannell

**Student Representatives:** Galen Reese, Jake Moulton

**Minute Taker:** Sue Trainor

**Call to Order, Approval of Agenda and Public Comment:** Chair Nielsen called the meeting to order at 6:00 p.m. The ECS Food Service Coordinator Pay Rate item was removed from the agenda and the Central Office and Principal reports were moved and placed prior to the budget discussion. Stebbins made a motion, seconded by Moulton, to approve the revised agenda. There were no public comments.

**LNSU/LNMUUSD Routine Business: Consent Agenda Items**

**Minutes of the December 16, 2019, Special Meeting and December 9, 2019, Finance and Capital Committee Meeting:** Stebbins made a motion, seconded by J. Sander, to approve the minutes. The motion passed unanimously.

**Board Orders:** Miller made a motion, seconded by Stebbins, to approve the Board Orders. The motion passed unanimously.

**Winooski School Lottery:** Hunsberger made a motion, seconded by Moulton, to agree to join the Winooski Valley and Statewide Choice of Public High School Collaborative for the 2020-2021 school year under Act 129. The motion passed unanimously.

**Accept Recommendation to Hire LUHS Student Assistance Coordinator:** McFarlane made a recommendation to the Board to hire Bethany Turnbaugh as the LUHS Student Assistance Coordinator at a level M, Step 5, or \$49,180, which would be prorated based on her start date. Orost made a motion, seconded by Stebbins, to approve the recommendation. Gallagher noted that Turnbaugh had been working as a clinician for some students at the school through her work with Lamoille County Mental Health. The motion then passed unanimously.

**Approve WES School Counselor Hire:** McFarlane made a recommendation to the Board to hire Rebecca Ridella as the Waterville Elementary School Counselor at a level M, Step 3, or \$46,840. This would be a .6 position and the salary would be prorated based on her start date. Moulton made a motion, seconded by Hunsberger, to approve the recommendation. Gallagher noted that Waterville had been without a school counselor since the beginning of the school year. The District worked hard to find the right person and Gallagher was very pleased to be able to hire Ridella. The motion passed unanimously, with Cambridge members abstaining.

**Announce Tuition:** Clark stated that in FY19 the announced tuition for the elementary schools was \$12,500. In this current year, FY20, the announced tuition was \$13,000. The recommended tuition for FY21 was \$13,500. It was the recommendation that the Union School tuition be level funded at \$15,500, as the FY19 allowable was not yet back from the state. Stebbins made a motion to announce LNMUUSD

tuition for the school year 2020-2021 to be \$13,500 for Grades K-6 and \$15,500 for Grades 7-12. Moulton seconded the motion and the motion passed unanimously.

**Central Office Report:** Gallagher noted that half of the Board would be up for re-election: Sweet, Whitcomb, Hayford, Moulton, Philie, Orost, B. Sander, Stebbins, and J. Sander.

Gallagher then reported that the Youth Risk Behavior Survey results were out. There had been significant improvements for the first time in seven years in many health related behaviors, notably contraceptive use, alcohol use and cigarette use. The results met or exceeded the Healthy Vermonters 2020 goals. Several risk factors had worsened and those had to do with vaping and marijuana use. That had significantly increased, more than 8 times from 2017 to 2019. The good news was that partnering with the various community resources had helped with education and being able to get into classes to talk with students.

Gallagher stated that she and Remmers presented to the State Board of Education about proficiencies. The State Board was looking to bring proficiencies under Act 77 to legislators. Legislators were getting involved in this because of community questions. Many districts were combining proficiency-based learning with grading and reporting and that was a problem. The method of reporting proficiencies to colleges was evolving and the LNMUUSD Board had had the foresight to approve a policy that allowed for the evolution of reporting and assessing. The State had provided what they considered to be the best examples and the LNMUUSD's reporting largely mirrored theirs. Colleges wanted to see project-based learning and wanted to see what stood out about a student. A letter grade didn't provide enough of a narrative. Gallagher stated that proficiencies were not harming the students and noted that several students were being accepted at UVM and St. Michael's and one student was waitlisted at MIT. The State was trying to develop a common report throughout Vermont to put forward to colleges. Gallagher was concerned that the Secretary of Education might not be supportive of proficiencies because he had received so much negative feedback from schools and parents. She noted that colleges really appreciated the work being done by EPIC Academy and she thanked the Board for their support of the Academy.

Gallagher informed the Board that the Legislative session would be discussing universal Pre-K. Currently Act 166 stated a school couldn't deny a student access to a preschool program. If a parent wanted their student to go to a school outside of the District, the District couldn't decline the request. The law also stated that if that child needed accommodations or a special education plan, the sending school was not required to provide the services. The receiving school could receive the tuition but not provide the services. Not having defined geographical boundaries was a problem and was not in the best interests of the students. Janet Murray and Gallagher would be speaking to the Legislature about this issue.

Gallagher than shared that she had been to a very disturbing superintendents meeting. Superintendents were resigning because of the forced mergers and their budgets. They were dealing with opening schools, closing schools, building renovations, and needing to hire additional staff to deal with State mandates. One superintendent was looking at a budget increase of up to 20%. Gallagher expressed appreciation for how well this SU had dealt with the merger and felt fortunate not to be in the position that other districts were in.

Stebbins stated the District had originally applied for a geographic boundary for Pre-K and it had been denied. He asked if there was a process to reapply. Gallagher said there was not.

#### **Principals/Director Updates:**

**Belvidere/Waterville:** Epstein thanked the Board for approving the hire of the school counselor. Her staff was starting to think about the winter sports day coming up. It was a great opportunity for students and families to participate in new activities. The school was adding Star Renaissance to the list of

assessments to monitor a student's progress. The VSO ensemble was coming to do a show, author John Churchman would be visiting, and VINS would be providing a raptor presentation.

**Eden:** Mascolino reported they were in the beginning review stages of MTSS with Lisa Lovelette. Northern Vermont University basketball players had recently come to the school and read to students in Pre-K through 4<sup>th</sup> grade. They then held a panel discussion for students in grades 5 and 6. Students asked the student athletes questions such as what it took to study, how much they had to practice, and how hard it was to be away from home. It was a very rich discussion and everyone had a great time.

**Johnson:** Manning reported that the school had participated in an audit of the Multi Tiered System of Supports system with Jen Hulse, Jade Hazard and consultant Lisa Lovelette. The school received praise from the consultant who stated they had made a strong start in the process and were making great headway. Manning credited teachers and the internal MTSS committee for the work they had done in this regard. Manning stated no renovations had been done yet for the Health Center, but it should start soon. Two counselors from CHSLV had already started meeting students and their appointments were all filled.

**GMTCC:** Remmers expressed his appreciation to his staff for supporting GMTCC students impacted by the loss of a student. It was always a risky period of time after a student loss for many students and the teachers had been with the students all along the way.

**High School:** Galen Reese stated the second semester had begun. All of the sports teams were doing well and the dance team was dominating.

Schaffer read off a list of second quarter EPIC projects that were developed by students according to their own personal interests and presented to a panel of teachers and their peers. EPIC projects included a research element, required an ability to argue a position or perspective, and involved reaching out to community members. He said it was amazing to see what students were doing and EPIC was a unique program for Vermont. He also thanked the Board for approving the hire of the Student Assistance Coordinator. In response to Miller expressing interest in hearing some of the presentations, Schaffer stated students might be able to present to the Board.

**Budget Discussion:** Clark began by discussing the FY21 Lamoille North Supervisory Union budget. Clark explained that this budget included the transportation and special education costs that were being accumulated at the SU level. New investments in SU-wide personnel included an IT System Manager position and a Data Manager to deal with the Statewide Longitudinal Data System. The SLDS was a mandated change to data filing systems and requirements at the State level. While the District had thought they'd be able to eliminate one financial position, the FY21 mandated conversion to the Statewide Uniform Chart of Accounts and the conversion to a Statewide School District Data Management System required the continued support of a finance employee.

Clark reported there was \$502,008 of uncommitted reserves coming from FY19. Some of these funds came as a result of a change in accounting practices. In the past, self-insured dental expenses had accumulated in a liability account. The auditors now wanted those funds to be placed in reserves and, in fact, the District was now over-reserved in dental expenses. There were additional reserves of \$15,000 coming from the Health Reimbursement Arrangement. Clark wanted to set aside \$72,008 in a reserve for future unanticipated dental benefits costs. Finally, \$415,000 had been applied to the FY21 budget to reduce the general assessment.

The total general expenses of the FY21 budget of the LNSU of \$3,847,548 minus grant funding, transportation and services, and miscellaneous revenues, resulted in a general assessment of \$1,913,379. Applying \$415,000 of reserves brought the FY21 general assessment costs to \$1,498,379.

Special education costs were \$6,617,681. Removing the estimated special education revenue of \$4,319,208 resulted in a FY21 special education assessment of \$2,298,473. Adding the general assessment cost of \$1,498,379 brought the total FY21 assessment to \$3,796,852. This resulted in an assessment decrease of 1.30%.

The assessment allocation was based on the October 1, 2019 ADM counts. The MUUSD elementary schools would receive 38.89%, the MUUSD secondary would receive 37.01%, the Tech Center would receive 6.72% and Cambridge would receive 17.39%. Clark informed the Board that the Finance and Capital Committee approved and strongly recommended moving forward with using as much of the unreserved funds as possible.

Bill Sander made a motion to approve that the Lamoille North Supervisory Union expend \$10,465,229, which was the amount determined to be necessary for the ensuing fiscal year. Further, to apply \$415,000 of the LNUSU FY2019 uncommitted reserves towards lowering the associated assessments. It was estimated that this proposed budget, if approved, would result in total assessments to member districts of \$3,796,852. Projected assessments were 1.30% lower than the assessments for the current year. Moulton seconded the motion. The motion passed, with Orost voting against.

Stebbins made a motion, seconded by Moulton, to establish reserve funds, using \$15,000 of FY2019 uncommitted reserves, for future unanticipated Health Reimbursement Arrangement or/or Health Savings Account costs. The motion passed unanimously.

J. Sander made a motion, seconded by Stebbins, to establish reserve funds, using \$72,008 of FY2019 uncommitted reserves, for future unanticipated dental benefit costs. The motion passed unanimously.

Clark then moved on to the Lamoille North Modified Unified Union School District FY21 budget. This provided services to six campuses and 1,613 students from ages 3-18+. The key items noted were:

- An increase to Pre CLA homestead rate of 7.167 cents;
- A comprehensive increase to education spending of 5.15%;
- Elementary school budgets, before assessment and revenue, of \$8,344,954, up 8.15%;
- Secondary school budget, before assessment and revenue, of \$10,469,530, up 4.32%;
- Special education budget, before assessment, of \$1,569,777, up .90%;
- An Operations and Maintenance budget of \$2,622,498, up 8.27%;
- An Information Technology budget of \$510,003, up 3.57%;
- A Board and Treasurer budget of \$56,290, up 12.10%;
- A Long Term Debt budget of \$991,802, up 10.06%; and,
- The total assessment from the LNSU of \$3,017,682, down 1.67%.

Factors in building the FY21 budget: The State was anticipating an increase in education spending statewide of 5.01%. Combined with a decrease in equalized pupil statewide of .49%, the State was looking at a growth in average equalized per pupil spending statewide of 5.53%. The statewide property yield was increasing from \$10,648 to \$10,883. The State income yield was increasing from \$13,081 to \$13,296. The forecast average state property tax as of December 1, 2019 was \$1.567. The State non-residential property tax rate was increasing from \$1.594 to \$1.654. The excess spending threshold was currently \$18,311 and was increasing to \$18,756. The forecast average state announced income sensitivity was up to 2.55%. The unassigned fund balance available as of June 30, 2019, excluding GMTCC, was \$399,858. The LNMUUSD combined reserve funds applied to the budget was \$248,451.

To date, combining the elementary and secondary schools, the District was looking at a budget of \$25,595,782 or a 5.15% increase in education spending, with the elementary schools coming in at 5.44% and the Union School coming in at 4.89%. Clark explained that the big drivers of the increase were health

and retirement benefits, after school program supports, school nutrition services, property insurance, and electricity, with Hyde Park Electric requesting a 15% increase.

Clark then explained that the District had lost 18 equalized pupils at the elementary level, which was driving the education spending per pupil up 8.8%. After applying the yield, the equalized homestead rate was \$1.6795. Subtracting the Act 46 incentive of \$0.02, the equalized incentive rate was \$1.6595. This then provided the elementary incentive rate of \$.8950, up 5.23%. At the secondary level they had gained students. The equalized homestead rate was \$1.5399. Subtracting the Act 46 incentive of \$0.02, the equalized incentive rate was \$1.5199. This provided the Union School incentive rate of \$.7002, up 4.04%.

The combined education spending of \$25,595,781 with the combined equalized pupils of 1,467.68, and per equalized pupil spending of \$17,440, was a 6.74% increase over FY20. The .07167 cent change in these figures between the FY20 and FY21 homestead rate equated to \$71.67 per \$100,000 of property value, which was a two-year change of about 9 cents.

In response to a question from Gallagher, Clark explained that the Finance and Capital Committee reviewed the budget several times. With the new equalized pupil figure, to move the tax rate down one cent \$133,000 would need to be cut at the elementary level or \$191,000 at the secondary level or a combination of both. The administrators had been asked to run scenarios with potential cuts of one and two cents. However, there wasn't a lot of movement on the tax rate. After applying as much of the reserves as possible, the FCC felt comfortable moving this budget forward to the full Board. She noted it was a contentious year statewide for budgets. The FCC thought it was up to the voters to decide about the increase.

Miller explained that the FCC Committee had asked the administrators to come back with the choices they would make if they had to cut one and two cents from their budgets. Previously, when the Committee did this exercise they had cut funding for overtime that resulted in impacting weekend and evening sports events. This was not well received by the public. This year, the only thing that the Committee agreed to add was a student assistance counselor because that position was desperately needed. The difference between the proposed budget and making the most drastic cuts was \$21 and that number didn't sway Miller to believe that drastic cuts were needed. Miller also noted that with the State applying the homestead rates to a taxpayer's property tax, they might not be as affected by an increase.

Clark noted that the FCC had also talked about the newly merged districts that were seeing things that this District saw early on. There had been a lot of pressure to hold rates down. This may have been a disservice, as it was important to bring initiatives and investments forward for the students and the buildings. She reminded the Board that two cents of the increase was the loss of the Act 46 incentive, which was \$20 of the \$71 increase being proposed.

Hayford stated she wasn't comfortable with the budget. She stated it was important to be transparent about the increases. It was clear to her they couldn't afford to keep cutting expenses and it wasn't fair to the students. Clark stated the outside pressures of the increases in insurance rates, mandatory retirement rates, and electricity rates were driving the budget increase. While the voters had recently approved improvements to the gym, that building hadn't been touched since it was built. All of the actions being taken were fiscally sound. Fagnant stated she agreed it was important to let the voters know the information, but no one came to the meetings.

Stebbins stated that in looking at the combined spending increase of \$1.25 million, over \$1.1 million of that were increases to salaries, health insurance, and other benefits. Almost 90% of the increase was completely out of the School Board's control unless the Board decided to cut positions. The cuts, with possibly one exception, were all student-facing programs or positions. Any cuts of that nature would impact students. Miller reminded the Board that they were trying to keep their teachers. Wages were still not as high as a lot of districts in the area.

Gallagher stated the Board had the responsibility to say the numbers were high but to explain why. So much of the increase was out of the District's control. It was important to state that the District was supporting the systems and programs; however, the budget was driven by things that were out of the Board's control. It was important to provide talking points for Board members when they spoke to community members.

Moulton then made a motion to approve the FY21 Elementary budget of \$12,878,972, with an estimated per equalized pupil spending of \$18,278, which was 8.88% higher than the per pupil spending for the current year. Hunsberger seconded the motion. The motion passed, with Philie, Hayford and Orost voting against. Cambridge board members abstained.

J. Sander made a motion to approve the FY 21 Union School Budget of \$14,703,564, with an estimated per equalized pupil spending of \$16,759, which was 2.38% higher than the per pupil spending for the current year. Moulton seconded the motion. The motion passed, with Hayford and Orost voting against.

Bezio made a motion to establish Reserve Funds at LNMUUSD #058A and #058B for future unanticipated costs related to Health Reimbursement Arrangements/Health Savings Accounts. Moulton seconded the motion. The motion passed unanimously.

Orost made a motion to reserve \$78,532 of the LNMUUSD #058A FY2019 uncommitted fund balance to the newly created HRA/HSA Reserve Fund. Moulton seconded the motion. The motion passed unanimously.

Hunsberger made a motion to reserve \$72,882 of the LNMUUSD #058B FY2019 uncommitted fund balance to the newly created HRA/HSA Reserve Fund. Moulton seconded the motion. The motion passed unanimously.

The Board then read and reviewed the Warning of the Annual Meeting. It was determined there would not be a Board meeting on February 24<sup>th</sup>, but they would instead hold a public information hearing on the budget at 6:00 p.m. The Annual Meeting would be held on February 17<sup>th</sup> at 7:00 p.m. Stebbins made a motion to approve the Warning, seconded by Moulton. The motion passed unanimously.

**Other Business:** There was no other business.

**Adjourn:** Moulton made a motion, seconded by Stebbins, to adjourn the meeting at 7:51 p.m. The motion passed unanimously.