

LAMOILLE NORTH SUPERVISORY UNION
BOARD MEETING
MONDAY, NOVEMBER 24, 2014
GMTCC COMMUNITY EDUCATION CENTER

Board members present: Belvidere – Angie Evans; Cambridge – Bernard Barnes, Mark Stebbins, Jan Sander; Eden – Amy Fitzgerald; Hyde Park – Raven Walters, Dan Regan; Johnson – Sarah Davies Coe, Edson Jones, Katie Orost; LUSD #18 – Carl Szlachetka, William Sander, Eve Gagne; Waterville – Becky Penberthy. Others: Edith Beatty, Charleen McFarlane, Marilyn Frederick, Catherine Gallagher, Rick McCraw, Kelly Betzina, Diane Reilly, Mary Anderson, Jeff Lindgren, Joe Teegarden, Brian Schaffer, David Manning, Wendy Savery.

Note: All votes taken are unanimous unless otherwise noted.

1. *Call to Order and Approval of Agenda and Public Comment*

C. Szlachetka called the meeting to order at 6:06.

MOTION: W. Sander moved to approve the agenda, B. Penberthy seconded, and the motion was passed. (D. Regan arrived at 6:07.)

2. *Approval of Consent Agenda Items (Minutes 10.28.14, Clerk's Report on Directors' Orders)*

MOTION: W. Sander moved to approve the consent agenda, E. Gagne seconded, and the motion was passed.

3. *Executive Committee Report on Superintendent Evaluation*

A. Fitzgerald said the executive committee met just prior to this meeting to go over the goals E. Beatty had come up with and discuss an evaluation tool. E. Beatty had presented 5 goals at individual board meetings. She added a little to those goals and presented them to the executive committee. The committee agreed that all the goals were good and would be put in the evaluation. A. Fitzgerald will work on adding competencies to the evaluation tool that was chosen. She will send it out to the executive committee and they will meet in January to finalize the tool.

4. *Superintendent's Report*

E. Beatty provided a written report. Her report included links related to the Green Mountain Imperative public education summit, which she, J. Teegarden, and J. Ciccolo attended last week. J. Teegarden said there were over 200 people at the meeting, including Peter Shumlin, Shap Smith, and Secretary of Education Rebecca Holcombe. It was a well-rounded group. They went through a process called appreciative inquiry to come up with pluses and minuses about our public education system. There will be a report in December about it. His feeling, based on what Shap Smith and Peter Shumlin said, is that the legislature is poised to act on education governance and finance. In that room almost everyone thought something needed to be done in those two areas. He encourages people to read the report carefully. He suspects the legislature will use it to increase impetus for what it wants to do.

E. Beatty said central office worked hard to keep the budget level as much as possible. There will be time spent on paperwork involved in moving people to central office, so this is not the time to make cuts to make the budget completely level. There is a 2% increase based on esti-

mated salary and benefit increases; otherwise the budget is level (with respect to previously existing budget items.) It was cut and trimmed where possible.

M. Frederick reviewed the proposed budget. The traditional budget (prior to consolidating) has a 2% increase. The FY16 budget also includes new expenses related to coordination of services through central office.

W. Sander asked about the "Assistant Superintendent Duties" item listed. E. Beatty said J. Ciccolo suggested it was time to have an assistant superintendent, because this is a large district. We don't have resources to think about adding a position, but she looked at where we could shift and add some duties to an existing person's position at central office. When the SU budgeted for a new superintendent the amount budgeted for insurance was enough for family health but her husband is not on her insurance so she suggests earmarking that pot of extra money to begin to create some assistant superintendent duties. She is out Monday-Thursday for meetings. Last week Eden and Belvidere met the same night. She talked about the idea of an assistant superintendent to some boards, but not all.

W. Sander said this is a pretty major decision. He thinks it needs discussion before creating a new position. Even if expenses are covered for the immediate future we are talking about what will essentially be a permanent position with temporary funding. The board needs to discuss this and make a decision. E. Beatty said this budget proposal is just doing the cost shifting to allow that to happen, not making a decision. It is not a new position, just a shift in duties. There are some inequities in people's salaries anyway. We need to right size them and this is a way to do that. W. Sander said he would appreciate keeping boards informed before the fact, not after.

K. Orost asked for more details. E. Beatty said she is proposing to add duties to C. Gallagher's position. She currently works full time and E. Beatty proposes to add some beyond-school-day activities. She was under the impression that this was something J. Ciccolo had talked about quite a bit. He encouraged her to do it.

M. Frederick said she initially built the budget with an 8% health increase. It looks like the actual increase will be no more than 5%, so she changed it to 5%. Salary increases are budgeted for 2-3%.

Special ed consolidation will add 28.6 FTE for direct instruction, 4.6 FTE for speech/language, 1.8 FTE for OT/PT, 1.0 FTE for an administrator, and 1.0 FTE for an administrative assistant. M. Frederick showed the amount added to the budget for special education personnel, transportation personnel, and teacher retirement. Everything to do with transportation for Cambridge and Eden will be paid back by those districts. State law now requires that for every new teacher we have to pay \$1072 and 1% of their salary to help with the retirement fund. With those additions, the total budget is \$5,243,623. Subtracting grants leads to an assessment budget of \$4,769,541. Subtracting out services to schools (primarily busing) and miscellaneous revenue leads to an FY16 assessment amount of \$4,177,932.

M. Frederick showed the history of assessments from FY12 through FY16. She explained that transportation additions to the budget are totally offset by revenue. (*A. Fitzgerald left at 6:31.*)

She showed the change in the central office budget for EEE after consolidation. All buildings will still have EEE costs, but except for one school EEE grants should be able to cover those.

The October 1 count determines the percentage of the assessment paid by each district. M. Frederick showed a table of the percentages for each district. She showed the net change related to the assessment for each town (taking into account not only the increase in assessment but the decrease in the district budget due to special ed centralization.) Johnson and Lamoille Union ended up with net increases. D. Manning said he figured out that the reason for that is that Johnson and Lamoille Union have been spending less per student on special ed than other districts. So now they are subsidizing higher special ed costs at other schools. Eden, with half Johnson's population, is spending more money. He thinks Johnson is not winning out because not all special ed expenses are being centralized.

M. Frederick said she hasn't yet calculated how the circuit breaker approach will affect the assessment. Each district will increase or decrease by a fifth of the net change shown, because the change will be spread out over 5 years.

Of the audited FY14 fund balance, \$77,877 is already committed to reduce the FY15 assessment, \$107,977 is restricted (grant/sub-grant obligations), and \$78,400 is unassigned. The unassigned amount is allocated to offset FY16 assessment costs. LNSU can't borrow, so it is necessary to retain some money for cash flow purposes. For FY16, the suggested amount to retain for cash flow is \$45,003.

M. Frederick reviewed factors in building FY16 budgets. The base education amount increases from \$9,285 to \$9,459. A decreasing base amount increases taxes. The state is not saying what the base rate might be. The excess spending threshold increases from \$16,166 to \$17,103. The law no longer requires two votes if spending per equalized pupil goes above a certain amount. She showed education spending without debt service for each district. Right now no district is above the threshold for next year.

MOTION: W. Sander moved to approve the FY16 budget of \$5,243,623 and apply \$78,400 of the audited, unassigned fund balance to support the general assessment budget of \$4,769,541 with an assessment of \$4,177,932 allowing \$45,003 of un-assigned fund balance in reserve. B. Penberthy seconded.

W. Sander asked about centralization of busing. He understands that if the percentage increase is less than a certain amount contracts can be renewed without going out to bid. How much will Cambridge and Eden have to worry about being underbid? M. Frederick said we have been going along with just increasing by the New England Consumer Price Index amount for Cambridge and Eden but due to repairs and other cost drivers profits have lessened to the point where greater increases will be needed and we will have to go out to bid. W. Sander asked, with the hybrid system we are moving to, will we still have to go out to bid if the price increases by more than the index? M. Frederick said she was envisioning that we would still have to go through a bid process, but she is not sure. W. Sander said he would appreciate it if that could be looked into. M. Frederick said the question is, if you are running your own bus company, do you have to get bids from yourself?

D. Regan said with the integration of special ed costs into the budget, the budget will be higher than in the past. It is a little difficult to compare the proposed budget to the previous year's budget. Does central office have any strategy to communicate to the public so they can understand what is going on with the budget? M. Frederick said she would say to the public that special ed costs will still be in district budgets, but as part of the assessment now. We will have to indicate what that means. Services will still be conducted by the same people. D. Regan said voters won't be informed when they get budget packets in the mail. E. Beatty said she thinks we have to add some narrative. Some boards will have easier news to deliver because their special ed costs will go down. A couple of boards will have a different explanation. She thinks we need to put something together to explain why we are doing this. M. Frederick said we can reach out to other SU's for ideas. We are one of the few that hasn't done this already.

K. Orost asked for clarification on some budget items and M. Frederick explained them. K. Orost asked where the math coach is moved to. M. Frederick said staff development. E. Beatty said that is one of the shifts we are making that is cost neutral. The math coach has been at the middle school and now LNSU will be handling her contract. But the revenue is just the same. M. Frederick said the schools she works in will be buying her time. K. Orost asked about breaking out the special ed administrator and administrative assistant from the high school. When all special educators are moved to central office how do you know which administrators you will need? E. Beatty said central office assured everyone no drastic changes would be made. Over time we will look at that as populations and kids shift. M. Frederick said she thinks you always look at whether there are any hours you can shave off or changes you can make to positions.

Sara Davies Coe asked how much was added to the budget for the assistant superintendent. M. Frederick said \$12,656. E. Beatty said tonight the board is not approving an assistant superintendent. There is no contract for that to happen. We can discuss it further. The special ed director position is seriously underfunded now even if the person remains doing the current duties.

R. Walters said it sounds like two things are being conflated – right sizing the salary and increasing the duties. It is not clear to her what E. Beatty is proposing. E. Beatty said when she came here she noticed the salaries were not aligned very fairly. That needs to adjust. Adding funding and adding duties makes sense as well. One way to keep a superintendent longer is to provide an assistant. This is a large district. There was an opportunity to add additional duties for someone whose salary needs to be increased. R. Walters said it seems a reasonable approach would be to bring the person whose salary is out of line in line and then have a separate conversation about what we need to keep a superintendent here. It seems those are two separate things. E. Beatty said she sees a way to bring the person in line without increasing the budget. We will have another conversation later.

D. Regan said it was puzzling to him when she talked about making a person more than full time. E. Beatty said many central office staff work more than full time.

At K. Orost's request, C. Szlachetka gave boards about 5 minutes to caucus.

K. Orost asked whether out of school placements are included in the special ed costs being centralized. M. Frederick said no; she was told to include only licensed salaries and benefits.

B. Penberthy said she is a bit on the fence about voting yes. She hasn't seen budgets yet for Waterville or the high school. There has been no discussion with the high school board about the budget or about a move to an assistant superintendent position. She feels she needs more information.

R. Walters said she is okay with supporting this budget. But for the last 4 years we have been approving 2-3% salary increases. She doesn't know people who are getting these increases who aren't in education. It makes her uncomfortable if the increase is as high as 3%, unless there is some explanation such as averaging or right sizing. Let's be responsive to taxpayers.

W. Sander said inflation is a constant. Social security is saying inflation is 1.7%, but they underestimate it. With these kinds of increases we aren't really giving an increase, just keeping even. He keeps hearing that other people aren't getting these increases, but they must be. As an SU we are falling behind other areas in salary. We have to be sure not to shortchange our folks. He feels we should have had a lot of this information earlier. But he is not sure the board would be in any better position to take action a month from now. He is not sure there are any changes that would make sense. His recommendation would be to approve the budget tonight.

The motion was passed 9-3.

5. ***Financial Impact of Health Care Reform on Vermont School Districts***

C. Szlachetka referred to the documents in the packet from Stephen Dale of VSBA and KSE Partners. There could be significant savings if teachers were willing to go with something other than a Platinum plan. Other Vermont school boards have started bringing this up to their teachers and in negotiations, with virtually no success so far.

6. ***Board Negotiations Council***

MOTION: W. Sander moved to enter executive session to discuss contract matters with administrators invited to remain, J. Sander seconded, the motion was passed, and the board entered executive session at 7:27. The board came out of executive session at 7:41.

7. ***Other Business – Appoint Act 156 Representative***

C. Szlachetka said he probably won't be able to serve on the Act 156 committee again. W. Sander said he is willing to serve.

E. Jones nominated W. Sander as representative to the Act 156 committee. The board voted to appoint W. Sander.

8. ***Adjourn***

MOTION: W. Sander moved and E. Jones seconded to adjourn at 7:43, and the motion was passed.

Minutes submitted by Donna Griffiths

Actions taken at the LNSU Board 11-24-14:

1. ***Call to Order and Approval of Agenda and Public Comment***
MOTION: W. Sander moved to approve the agenda, B. Penberthy seconded, and the motion was passed.
2. ***Approval of Consent Agenda Items (Minutes 10.28.14, Clerk's Report on Directors' Orders)***
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