

**BARRE SUPERVISORY UNION
FINANCE COMMITTEE MEETING**
Spaulding High School Library
October 26, 2017 - 5:30 p.m.

MINUTES

COMMITTEE MEMBERS PRESENT:

Paul Malone (SHS) - Chair
Sonya Spaulding (BCEMS) – Vice Chair
Sarah Pregent (BCEMS)

COMMITTEE MEMBERS ABSENT:

Jay Paterson (BTMES)

ADMINISTRATORS PRESENT:

John Pandolfo, Superintendent
Lisa Perrault, Business Manager

BOARD MEMBERS PRESENT:

Joe Blakely (arrived at 5:45 p.m. / departed at 7:38 p.m.) Tim Boltin Alice Farrell Guy Isabelle

1. Call to Order

The Chair, Mr. Malone, called the Thursday, October 26, 2017, BSU Finance Committee meeting to order at 5:35 p.m., which was held at the Spaulding High School Library.

2. Additions and/or Deletions to the Agenda

Add 6.1 Special Education
Add 6.2 Renewal of FY18 Food Service Contracts

3. Approval of Minutes – September 14, 2017 BSU Finance Committee Meeting

Discussion was held regarding the make-up of the Committee and voting (by committee members, and/or their designee). Mr. Boltin and Mr. Isabelle volunteered to serve on the Committee. Mrs. Farrell provided a brief overview of voting by consensus. Mr. Pandolfo reiterated the agreement from the first meeting of the Committee, where it was unanimously agreed to, that voting would be 1 vote per district Board. Mr. Pandolfo will check with VSBA regarding the legalities of committee make-up.

On a motion by Mrs. Spaulding, seconded by Mr. Boltin, the Committee unanimously voted to approve the Minutes of the September 14, 2017 BSU Finance Committee meeting.

4. FY18 Budget Update

A revised BSU FY18 Expenditures/Year-end Projection Report (dated 10/26/17) was distributed. Mrs. Perreault advised that the report was presented to the SHS Finance Committee on 10/25/17. The unaudited projected deficit is \$17,355. Mrs. Perreault provided an overview of the information, advising that the Curriculum lines items (#2 and #3), are recovered in Revenue line items #16 and #17. The majority of the deficit is caused by legal fees resulting from ongoing negotiations. In response to a query regarding ways to prevent a greater deficit, Mrs. Perreault advised that the projection is conservative, but that it would be wise to curb expenses as much as possible. It was noted that the BSU has a \$30,000 Fund Balance. BSU employee insurance was budgeted at the FY17 rate and will be a little higher due to HRA funding. Clarification was made regarding some information on the detail report that does not match the year-end projection report. Mr. Pandolfo advised that the district Boards have asked for someone to be hired to perform some PR work in FY18 and this will be an added expense. It is not currently known what line items (if any) may have monies available to use towards this expense.

5. FY19 Budget Development

A document titled ‘BSU FY19 Budget Considerations’ (dated 10/26/17) was distributed. The BSU FY19 Budget Development DRAFT (dated 10/25/17) was also distributed. Revised versions of the documents were distributed. The BCEMS and BTMES ‘Comparative Tax Rate Calculations Budget Years 2018-2019’ documents were distributed. A document titled ‘FY19 Barre Supervisory Union Assessment Information 10/26/17’ was also distributed.

Mrs. Perreault began the discussion with an overview of the assessment document which shows an increase of \$218,951 or 12%, for BSU budget expenses, including technology. Mrs. Perreault noted changes resulting from the consolidation of Transportation and Special Education at the BSU level. In FY19, only transportation will be assessed based on actual expenses. In FY19 the net Special Education assessment (after revenues are applied), will be assessed back to each district school based on child count. The ‘Child

Count' in the report will be modified to reflect 12/17. SHS is looking at an increase of 31% in SPED, but that amount does not account for revenue. In prior years, outplaced students and students with contracted services were not in the budget, but are listed now. It was noted that SPED funding is based on actual expenses. Mrs. Perreault provided an overview of how SPED reimbursement is calculated.

Mrs. Perreault provided an overview of the Budget Considerations document which included Special Education Expense/Revenue percentages based on child count, the VSTRS Health Assessment for Special Education staff, for teachers new to the State Teachers' Retirement System as of 07/01/15 (it was noted that there is an additional \$150,000 for non-SPED employees), increases to health insurance, addition of para-educators and custodians to VMERS, the addition of a Communications Specialist, and a new Financial Accounting system. Mrs. Perreault advised that no salary increases were reflected in the document. Mrs. Perreault will calculate what percentage of the budget is salary and wages, and after that determination, will provide figures based on increases of various percentages (e.g. 1%, 2%.....). Lengthy discussion ensued regarding hiring of a Communication Specialist (both during FY18 and FY19). Discussion included both short and long term goals and possibilities for fulfilling communications needs including; outsourcing of work, realized savings (saved man hours), contracting with CVCC, use of a shared service, and hiring of a PR Specialist. It was noted that the BSU webmasters currently update 5 different sites. The Committee queried regarding possible savings from other line items to reduce the financial impact of creating the new position. Mr. Malone advised that the SHS Finance Committee decided not to start making big budget cuts at this time, based on the risk of loss of programs for students. Mr. Pandolfo hopes to realize some savings due to health insurance and advised that a default agreement (relating to health insurance) has been reached with teachers. Mr. Malone reported that in recent discussions with a representative, he was informed that the State Education Fund deficit is closer to \$70,000,000 or \$80,000,000, rather than the \$47,000,000 first reported. It is unknown what impact this increased deficit amount will have on the originally reported tax increase of 7 to 9 cents. Mrs. Perreault advised that there is still much work to be done on the detail lines of the budget draft.

Mrs. Perreault provided an overview of the tax rate calculation documents, advising that the same numbers were used in FY19, as in FY18. The numbers in this report include the rough draft numbers from all districts. The 7 to 9 cent tax increase will show in the Yield amount. The Yield amount will not be known until after the Boards pass their budgets. The Equalized Pupil count and CLA are unknown at this time. In response to a query regarding legislative items that may help, it was noted that Act 46 tax incentives (if a voter approved consolidation occurs) and possible reductions in health insurance costs, are the only known items at this time. Mrs. Perreault advised that when reaching out to the community for budget support, it should be stressed that the BSU is spending less per student than most districts. Mrs. Pregent reported that BCEMS surveys are being returned (approximately 70 have been received thus far). Mr. Pandolfo requests that legislatures not use the yield politically, but rather give a true prediction, not one used to help accomplish goals. Mr. Pandolfo thanked Mrs. Perreault for providing administrators with a good overview of the highlights of the budget and tax calculation sheets. Mr. Malone asked Committee Members to think ahead and try to determine what could possibly be cut from the budget later on in the process.

6. Other Business

6.1 Special Education

A packet of information titled 'Barre Supervisory Union Special Education Discussion October 26, 2017' was distributed. The packet contained twelve various reports. Mrs. Perreault advised that the packet contains information from all SUs in the state and can be used for comparison purposes. It was noted that the BSU special education population is 21% greater than the state average. Lengthy discussion was held regarding possible ways to lower special education spending, including the elimination of 'outsourcing', by bringing outplaced students back to the SU and utilizing in-house staff, rather than contracted services, for students being served by outside vendors. Brief discussion was held regarding the high cost of special education taking away opportunities from students who excel. It is felt that regular education spending is being decreased to accommodate increased special education spending. Concern was voiced that some students are not receiving education/services that will assist them later in life. Though the social interaction may be beneficial, some students are not learning the life skills they need. Mrs. Farrell provided a brief overview of historical information regarding changes in special education. It was noted that the number of students with severe emotional needs is increasing. It was agreed that much needs to be done to change how special education is operated and that changes include legislative reforms. The Committee was urged to 'pick a direction' and move forward towards that goal.

6.2 Renewal of Food Service Contracts for FY18

Brief discussion was held regarding the requirement to renew food service contracts on an annual basis. The food service contracts will be going out to bid for FY19. Beginning in FY19, the BSU would like to begin contracting with one food service provider for all district schools. Renewal of Food Service Contracts for FY18 will be added to the SU Board and district board meeting agendas.

On a motion by Mr. Boltin, seconded by Sarah Pregent, the Committee unanimously voted to approve renewal of Food Service Contracts with the Abbey Group and Fitz-Vogt for FY18.

7. Items to be Place on Future Agendas

Special Education

FY18 Budget

FY19 Budget

8. Next Meeting Date

The next meeting is **tentatively** scheduled for Thursday, **November 30, 2017** at 5:30 p.m., in the Spaulding High School Library.

9. Adjournment

On a motion by Mrs. Pregent, seconded by Mr. Boltin, the Committee unanimously voted to adjourn at 8:10 p.m.

Respectfully submitted,

Andrea Poulin