

**SPAULDING HIGH SCHOOL
FINANCE COMMITTEE MEETING**
Spaulding High School – Library
December 22, 2015 - 3:00 p.m.

MINUTES

COMMITTEE MEMBERS PRESENT:

David LaCroix - Chair
Joe Blakely – arrived at 3:13 p.m.
Penny Chamberlin, Director Central Vermont Career Center
John Pandolfo, Superintendent
Lisa Perrault, Business Manager
Brenda Waterhouse, Principal

COMMITTEE MEMBERS ABSENT:

Veronica Foiadelli-McCormick
Norma Malone
Paul Malone
Dotty Ricks
Carlotta Simonds-Perantoni

GUESTS PRESENT:

1. Call to Order

The Chair, Mr. LaCroix, called the Tuesday, December 22, 2015, Finance Committee meeting to order at 2:59 p.m., which was held at the Spaulding High School Library.

2. Additions and/or Deletions to the Agenda

Ms. Chamberlin requested that discussion of CVCC surplus funds be added to the next Board Meeting Agenda. Ms. Chamberlin would like to discuss utilizing carry-over (FY15) and anticipated (FY 16) surplus monies for moving the office, reduction of tuition, construction of storage space, and installation of a sprinkler system. A surplus is anticipated for FY 16, as one program was not run.

3. Approval of Minutes – December 7, 2015 Finance Committee Meeting

On a motion by Mr. Pandolfo, seconded by Ms. Chamberlin, the Committee unanimously voted to approve, as amended, the Minutes of the December 7, 2015 Finance Committee meeting.

4. FY '17 Budget Adjustments and Final Numbers for Approval

The following documents were distributed: 'SHS FY 15 DRAFT AUDIT REPORT'(highlights), the Draft Audit Report (dated December 18, 2015), Proposed CVCC FY17 Budget (highlights), 'Using \$200,000 Tax Stab./\$230,000 Gen. Fund Prior Yr.', a document providing a historical overview (FY13 – Proposed FY17) of the calculation of estimated Tax Rates, 'Central Vermont Career Center FY17 Budget Highlights (with corresponding draft budget – V 1.5, dated 12/22/15), a Projected Tuition document, the SHS draft budget (V 1.5, dated 12/22/15), and a document titled 'Act 130 Equalized Homestead Tax Rate Calculation, FY2017'.

Ms. Perreault provided an overview of the draft audit and advised that the Auditors will make a presentation at the February Board Meeting. The audit identifies a General Fund deficit of \$216,559. The fund balance total in the general fund (SHS only) is \$630,753. The fund balance in the CVCC operating fund is \$93,884 (\$75,000 is slated for use in tuition reduction). The Capital Projects Fund Balance is \$321,699, and the Tax Stabilization Fund balance (for SHS only) is \$393,746.

Ms. Perreault advised regarding the proposed FY17 budgets (SHS - \$12,722,183 – an increase of \$73,560 / .58%, and CVCC - \$2,928,793, a decrease of \$21,718 / .74%). It was noted that Mr. McMahon was able to reduce the Special Education budget by approximately \$200,000. There is no contingency in the budget. The latest draft represents a reduction of \$448,000 from the previous draft. It was noted that many expenses cannot be reduced (heat, electricity, salaries, and benefits). The budget is below the threshold limit, but is 'bare bones', and there is concern that next year's budget may not be able to be set below proposed thresholds. It was noted that the cost per pupil at SHS is approximately \$2,200 less than the State average. Mr. LaCroix advised that it has been reported to him, that students educated at SHS are well prepared for college.

Discussion continued with Ms. Perreault providing an overview of the calculation of cost per pupil. The proposed budget uses \$200,000 from the Tax Stabilization fund and \$230,000 from the General Fund from the prior year. Ms. Perreault cautioned against using all of the reserves. It was noted that the student count should increase next year. Mrs. Waterhouse is currently waiting for a

report that documents where last year's Sophomores transitioned (there was a significant drop in the student count for this year's Junior class). Brief discussion was held regarding class sizes. The State may begin to review class size.

It was noted that the request for funds for Capital Improvements (Special Article) should remain high to allow for planning and financial preparation for long term maintenance projects. Mrs. Waterhouse is currently working on a five year maintenance plan. Mr. Pandolfo would like to see others take more responsibility for the plan, allowing Mrs. Waterhouse to reduce the amount of time she expends on maintenance planning. Mr. Blakely advised regarding some of the planned maintenance items; painting the café, replacing univents, cleaning filters, replacing the café floor, and updates to science rooms.

Ms. Perreault provided a brief overview of the Estimated Tax Rate, noting that the proposed rate for FY17 is \$1.29. Mr. Pandolfo advised that the tax rate may decrease by one cent. In response to a query, it was noted that the BCEMS budget is progressing well, and that the BTMES budget also looks good, with a low increase in expenditures. The per-pupil cost is within the threshold. There is concern regarding the new ballot requirement. The expense increase of .58 %, will be written on the ballot as an increase of 3.12%. It was noted that the city and town increases are minimal. It will be important to educate the public regarding the proposed budget and how it is reflected on the ballot.

Ms. Chamberlin provided an overview of the CVCC budget highlights, which included items that increased by more than \$2,000. It was noted that line items with significant increases or decreases are highlighted on the budget draft. Closing the pre-school has resulted in significant savings. Ms. Chamberlin provided an overview of the Projected Tuition document, advising that CVCC tuition is still well below the state average. Recording revenue from the Cosmetology program will assist. The auditors suggest leaving out the Automotive Shop revenues/expenses. It was noted that the State provides salary assistance for some positions. The student count (171) has been verified (93 are SHS students). Ms. Chamberlin advised that the forensic audit is an unanticipated expense that will be in this year's expenses. Mr. LaCroix was very pleased that the forensic audit was performed and has produced accurate numbers that can be utilized. In response to a query regarding possible concern of the FY15 deficit, Mr. LaCroix advised that monthly reviews will be performed to assist with budget oversight. Mrs. Waterhouse advised that she does not want to put a freeze in effect in an effort to create a surplus.

Discussion ensued regarding budget presentation to the Board and the public. Mr. Pandolfo advised that he will present a budget summary to the Board. A public presentation will be planned. A tentative date for the public forum is February 29, 2016. It was noted that it may be beneficial to have Tom Koch, Carol Dawes, and Donna Kelty in attendance. Ms. Perreault offered to prepare a Power Point presentation of the 'bullet' pages, including information on 'cost per-pupil' and the tax rate. Mr. LaCroix will craft a presentation. Ms. Chamberlin suggested a slide that highlights areas of the budget that have decreased. The biggest increases (VEHI and salaries) should also be noted. It was also suggested that a graphic be created to illustrate a comparison of cost per pupil at SHS/CVCC vs. cost per-pupil at other schools in the state. It was noted that the Warning will need to be approved at the next Board meeting. The Tuition Rate will also need to be set.

Mr. LaCroix or Ms. Perreault will send a copy of the draft budget for Board Member review. Board Members will be encouraged to submit detail level questions in advance, as detail level questions will not be part of the January 4, 2016 Board meeting.

5. Other Business

None.

6. Next Meeting Date

The next meeting will be held on February 1, 2016, at 4:30 p.m.

8. Adjournment

On a motion by Ms. Chamberlin, seconded by Mr. Blakely, the Committee unanimously voted to adjourn at 4:11 p.m.

Respectfully submitted,
Andrea Poulin