

**BARRE UNIFIED UNION SCHOOL DISTRICT  
FINANCE COMMITTEE MEETING**  
Via Video Conference – Google Meet  
December 15, 2020 - 5:30 p.m.

**MINUTES**

**COMMITTEE MEMBERS PRESENT:**

Sonya Spaulding (BC) - Chair  
Victoria Pompei (BT) – Vice Chair  
Gina Akley (BT) – departed the meeting at 6:39 p.m.  
Emel Cambel (BC)

**COMMITTEE MEMBERS ABSENT:**

**OTHER BOARD MEMBERS PRESENT:**

Guy Isabelle

**ADMINISTRATORS PRESENT:**

David Wells, Superintendent  
Mary Ellen Simmons, Assistant Superintendent of Instruction  
Stacy Anderson, Director of Special Services  
Penny Chamberlin, Director Central Vermont Career Center  
Hayden Coon, BCEMS Principal  
Chris Hennessey, BCEMS Principal  
Carol Marold, Director of Human Resources  
Lauren May, Director of Early Education  
Jennifer Nye, BTMES Principal  
Erica Pearson, BTMES Principal  
Lisa Perreault, Business Manager  
Brenda Waterhouse, SHS Principal

**PUBLIC MEMBERS PRESENT:**

Dave Delcore, Times Argus                      Ted Mills

**1. Call to Order**

**The Chair, Mrs. Spaulding, called the Tuesday, December 15, 2020 BUUSD Finance Committee meeting to order at 5:35 p.m., which was held via video conference.**

**2. Additions and/or Deletions to the Agenda**

None.

**3. Public Comment**

None.

**4. Approval of Minutes**

**4.1 November 10, 2020 BUUSD Finance Committee Meeting Minutes**

**The Committee agreed by consensus to approve the Minutes of the November 10, 2020 BUUSD Finance Committee meeting.**

**5. New Business**

**5.1 FY20 Draft Audit**

Four documents were distributed;

A document titled ‘BUUSD Draft FY20 Audit – December 8, 2020

An undated draft of a letter from Mudgett, Jennett & Krogh-Wisner, PLC, to The Board of Education

A draft of the BUUSD Financial Statements – June 30, 2020 and Independent Auditor’s Reports

A document titled ‘FY22 Proposed Budget Questions for BUUSD Administration

Mrs. Perreault advised that over the past week, she and Tyler Kimberly have been reviewing and polishing the MD&A

(Management’s Discussion and Analysis) section. The MD&A is a summary of financial statements, and includes information relevant to events that occurred in 2020 as well as what is going on now. It was felt that COVID 19 information should be included.

Mrs. Perreault advised that even though there are some budget increases, the BUUSD schools continue to have one of the lowest per pupil spending amounts in the state. The budget is facing some pressures that are outside of the BUUSD’s control. Budget increases

are mainly the result of collective bargaining agreements and a drastic increase in costs for health insurance (premium increases and new plans). The MD&A includes some things that are going on at the Agency of Education, including the Uniform Chart of Accounts, business rules, and a published Chart of Accounts. The BUUSD tried to align its Chart of Accounts with the Uniform Chart of Accounts. The MD&A also advises about e-finance, which is the new system required by the State. The State has been in contact with districts that are currently using the software. Other districts have been experiencing challenges and are having audit findings. Given the known issues, the State has delayed the implementation of software at other districts (until fixes have been implemented to the software). The MD&A is not included in the Draft Audit that was distributed with the packet.

Mrs. Perreault provided an overview of the fund balances, noting that although the General fund has a deficit, it is off-set by the Tax Stabilization fund. Taking into account the \$200,000 earmarked for revenue in the current year (FY21), the General fund balance is \$444,666. Mrs. Perreault provided an overview of the remaining fund balances (reserves) noting that the Food Service balance is for improvements. Overall, the financial picture looks good.

There were no findings in the Audit. This audit was challenging as it includes 5 separate school accounts that were merged into 1 under Act 46. Mrs. Perreault recommended that the Board take time to review the audit and compile a list of questions for Tyler Kimberly. Tyler will be in attendance at Thursday's Board meeting, and Board Members are encouraged to take advantage of having an auditor in attendance. Mrs. Perreault advised that the 'single audit, begins on page 44. This section is required because the BUUSD has federal expenditures over \$750,000. Mrs. Perreault provided a brief overview of this section and noted that there were no findings. It is hoped that the audit can be approved at Thursday's meeting. Mrs. Perreault advised that although some minor revisions are being made, none of those revisions impact fund balances. Changes being implemented relate to fine polishing of the Audit and finalizing Management's Report. Mrs. Perreault advised that if there is a revised audit, a new complete packet will be distributed. Mrs. Perreault answered questions from the Committee. It is anticipated that additional questions will be presented to Tyler at Thursday's Board meeting. As there was some unease regarding approving the audit this week, Mr. Wells recommended that the audit be approved at the January Board meeting.

**The Committee agreed by consensus that the Audit would be presented to the Board for approval at a January Board meeting.**

### **5.2 FY21 Year-end Projections**

Four reports were distributed;

BUUSD FY21 Year End Projection Report (dated 12/06/2020)

BUUSD Expense Report (dated 12/10/2020)

CVCC FY21 Year End Projection Report (dated 12/15/2020)

CVCC FY21 Budget (dated 12/10/2020)

Mrs. Perreault reported that not much has changed since last month. Administrators are monitoring expenditures. Usually around February, the Business Manager and Superintendent meet to discuss the status of the budget and any potential spending freezes. Mrs. Perreault advised regarding projections for COVID related spending, and advised that the BUUSD will be awarded \$1.4 million dollars. The 'survey', including estimated obligations, was submitted to the government last week. It is anticipated that there will be some last minute purchases. The CRF term ends on 12/31/2020. Additional grant detail will be available in January 2021.

### **5.3 SEA Financing**

Seven documents were distributed;

BUUSD Spaulding Educational Alternatives (SEA) Financing/Timeline Updated (dated 12/15/2020)

A copy of a letter from Primmer Piper Eggleston & Cramer, PC to Hope G. Crifo (Community National Bank) dated (12/18/2020)

A copy of the BUUSD Current Expense Note

A copy of the BUUSD Resolution Current Expense Borrowing

A copy of the Tax Certificate

A copy of Schedule A – Post-Issuance Tax Compliance Procedures For Tax-Exempt Obligations

A copy of IRS for 8038-G, Information Return for Tax-Exempt Governmental Bonds

Mrs. Perreault advised that she is sharing an update which includes funding of the project. The expenses have already been approved. On Thursday, 12/17/2020, Mr. Malone will be signing the appropriate paperwork. The Bond was submitted last week and all is reported to look good. The Bond Anticipation Note for \$2,000,000 (which was approved in April 2020) has been used as cash flow for the project, and will be paid off upon receipt of the Bond funds.

### **5.4 FY22 Budget Development**

Eight documents were distributed;

FY22 BUUSD Budget Development Considerations (12/15/20)

BUUSD FY22 Proposed Budget, Expense Summary – Draft 2 (12/15/20)

BUUSD FY22 Proposed Budget, Revenue Summary – Draft 2 (12/15/20)

BUUSD FY22 Draft 2 Budget (12/07/20)

CVCC FY2019 – FY2022 Budget Expense Summary – Draft 2 (12/15/20)

CVCC FY2022 Budget Revenue Summary Draft 2 (12/15/20)

Enclosed documentation explains changes made since Draft 1 was presented. Mrs. Perreault queried regarding discussing a plan for moving forward to finalize the budget. During tonight's meeting, Mrs. Perreault would like to finalize the expense budget as much as possible, and then in January, gather all of the other necessary information so the budget and per pupil costs can be finalized. The 'drop dead' date for finalizing the budget is the third Thursday in January (01/21/2021). The Board is meeting 01/07/2021 with the goal of approving a budget. There is a Finance Committee meeting 01/05/2021, in preparation for finalizing the budget. It will be necessary to finalize the budget as early as possible so that Mr. Allen can finalize and get budget information out to voters. There has been a large increase in early voting, so early budget promotion is critical. Mrs. Perreault reported a decrease of \$394,466 on budget draft 2. Reductions are primarily due to adjustments to the increase for salaries and wages, a shift in some grant funded positions, and a slight decrease in health insurance and HRA contributions (based on actual open-enrollment data). Budget Draft 2 has an increase of 5.92%. The CVCC draft budget also has a slight decrease, also due to the reasons listed above. Mrs. Perreault provided clarification regarding the enrollment numbers on the 'considerations' document. (FY20 counts used for FY21 budget and FY21 counts (lower #s) used for the FY22 draft). It is anticipated that student counts will increase in FY22 as some students are expected to return to the schools. If FY20 student counts are utilized for calculating the FY22 budget, the per-pupil spending is as follows: BTMES \$10,762, SHS \$12,717 and, BCMES \$10,756. Utilizing the FY21 pupil counts, the per-pupil spending is: BTMES \$12,275, SHS \$13,509, and BCMES \$10,830.

Mrs. Perreault provided a brief overview of the Tax Calculation document, advising that the Tax Yield changed, as indicated on the letter from the Tax Commissioner. It was known that the deficit in the Education Fund was going to present a big challenge. With the newly announced Yield, there is a tax increase of 15¢ for Barre City and a decrease of 13¢ for Barre Town. It was noted that the tax rates are not much different (more leveled out because of the CLA – Common Level of Appraisal). Mrs. Perreault advised that the State is holding the BUUSD's ADM harmless, and noted that the ADM is only a portion of the calculation for equalized pupils. Mrs. Perreault provided an overview of the calculation and advised that there may be a slight decrease in the number of equalized pupils. More equalized pupil count information will be coming from the State in the near future. Committee members advised of their broad concerns; including that the increase of 5.92% is too large and the tax increase is too high. Mrs. Spaulding noted that the largest increase to the budget is for staff and benefits and she would like to make cuts to staffing. Mrs. Akley agrees the budget is a big financial ask, but noted that last year's budget was also high and the budget passed. Mrs. Akley has faith that the community will pull through for the BUUSD, but is concerned that there is a fairly large perception problem of the schools right now. Negative feedback has been received regarding the schools this year and it may be difficult to turn negative perceptions around. As with last year, Mrs. Akley expressed frustration that there are community members who continue to 'break the rules' (COVID restrictions), and are causing further delays in returning to in-person learning. Mrs. Akley noted the request for a 2% – 5% increase. Mrs. Akley suggested that the Board consider moving forward as last year, (present the budget to voters and let them make the decision), but have a list of suggested cuts that are shared with the community, as items that will need to be cut if the budget fails. If the potential cuts are widely publicized, community members will be well informed regarding what will be lost if the budget fails. Mrs. Akley agrees that if cuts need to be made, they need to be made to staff. Mrs. Pompei agrees with Mrs. Akley that staff cuts need to be made if the budget is not passed. Mrs. Pompei does not believe the health insurance benefits/costs are sustainable, and that the 3% raise for staff was incredibly insulting to the community that has suffered many layoffs, and no raises for years. Mrs. Pompei believes the NEA has set themselves up to be on the chopping block. Ms. Cambel concurs with the opinions expressed, that this budget is too big of an 'ask'. Ms. Cambel does not like to see staff on the chopping block, but believes it's beneficial for it to be publicized so that community members are aware. Mrs. Pompei advised that not only teaching staff should be considered for cuts. Cuts should also be considered for other personnel, including office staff, secretarial positions, custodial positions, support staff etc.

Committee Members were polled regarding percentages for alternate budgets. Answers varied and there was no consensus from the Committee. Mrs. Spaulding also suggested that cuts to the second draft include level funding line items that were underspent (fund at the level of actual spending). Mrs. Spaulding also voiced frustration that she wanted negotiations to result in better control of expenses and it did not happen. Mrs. Spaulding is frustrated that the BUUSD pays for teachers 'to go to school' (furthering their education), and then has to pay increased wages because they have furthered their education/experience. Mrs. Spaulding does not agree with this type of "double increase". Mr. Wells advised that he will work with Mrs. Perreault and administrators and prepare a revised budget for the next Finance Committee meeting. The Board will provide input/direction at Thursday's Board meeting. Mr. Wells cautioned that at the present time, it is difficult to hire quality staff. Ms. Cambel voiced concern that she perceives there is a possible adversarial relationship between staff and the Board. Ms. Simmons believes it should be acknowledged that the Board is in a difficult position but does support teachers.

Ms. Chamberlin advised that the CVCC budget has been presented to and approved by the RAB Board (a .6% increase in tuition and an overall 7% increase to the expense budget). If the Board requests the CVCC budget be reduced to 5%, Ms. Chamberlin will need to go back to the RAB Board for approval. The RAB Board is not slated to meet until 02/08/2021. If the Board is recommending a change to the CVCC budget, Ms. Chamberlin will also need to consult with the Secretary of Education. Ms. Chamberlin advised that CVCC revenue has increased and that last year the increase was below 4%. Ms. Chamberlin requested direction on how she should move forward. Mrs. Spaulding advised that she usually defers to the RAB Board and does not like to second guess what they have approved. **The Board will need to make a decision on this matter.**

It was noted that the Tax Rate is an estimate and the final number is not finalized until May.

To reduce Draft 2 to a 5% increase requires cuts of approximately \$500,000. If staffing cuts are utilized to achieve \$350,000 of the \$500,000 reduction, approximately 4.37 positions will need to be cut. To achieve an increase of 2%, approximately 13 to 15 positions will need to be cut. Mrs. Perreault performed these cursory calculations that included salaries and benefits.

Mrs. Nye queried regarding the Board's values, what they hold sacred (and don't want cut), and any suggestions they have for reductions. Mrs. Perreault reiterated that the BUUSD already has a per-pupil spending amount that is \$3,000 below the state average, and queried regarding at what point will it be acknowledged that the students are the ones paying the price for budget reductions.

**The Committee agreed by consensus to recommend to the Board, that they request administrators identify reductions to bring the increase down to 5%.**

**As the Committee did not reach a consensus relating to other possible reductions, they agreed to recommend that the Board hold discussions relating to a request for administrators to identify additional reductions to be made if the budget does not pass, and to set a percentage rate associated with any such request.**

**The Board will need to provide direction to Ms. Chamberlin regarding any requested changes to the CVCC budget.**

So that Board Members will be prepared for Thursday's discussion, Mrs. Spaulding will send an e-mail containing a summary of the Committee's discussion.

## **6. Old Business**

### **6.1 Coordinated Supply Purchases/Procedures (Non-custodial) Follow-up**

A document titled BUUSD Supply Expenses was distributed. Mrs. Spaulding would like to finalize discussion of this topic so that it does not have to remain on future agendas. Mrs. Spaulding advised that she has not had time to review the documentation yet, but does not believe the report answers her outstanding questions. Mrs. Spaulding would like information relating to how supplies are managed/purchased at each building (e.g., stock rooms, individuals in charge of making purchases etc.), to identify what is working most efficiently and to implement how things can be changed to achieve more efficiency throughout the buildings. Mrs. Spaulding would like to identify opportunities for saving money. Mrs. Pompei voiced concern that the 'Supplies' numbers are skewed because equipment was moved to the Supplies line item e.g. an increase in the supply line may be the result of shifting of monies, not an actual increase in costs. Mrs. Pompei advised that she believes one of the questions to be answered is; Does the BTMES Stock Room help with managing expenses, and is this a set up that should be implemented throughout the district? Are there other things that we could be doing or finding (similar to correcting the error that SHS was not on the FMMA contract)? Mrs. Perreault advised regarding the current process/procedures including use of a contractor and having a preferred list. Book keepers in each of the buildings work closely with Michelle for procurement and obtaining the best prices. Mrs. Perreault advised that administrators budget for their supplies, they stay within their budget, adhere to BUUSD policies and procedures that advised that the budgets belong to administrators (for their buildings and resources), and when they determine that something is needed, they approve it. Purchases go through 'several sets of eyes' to see that policies and procedures are followed. Mrs. Perreault queried regarding benefits to be gained by performing further scrutiny, and requested clarification regarding what the directive is under this agenda item.

**The Committee agreed by consensus to table this Agenda Item until April or May 2021.**

Mrs. Spaulding will resend her list of questions to the Business Office.

### **6.2 Understanding SPED Charges/Revenue Follow-up**

A document titled 'Special Education Contracted Behavioral/Social Skills Interventionist Services Cost Comparison' (dated 11/05/20) was distributed. Mrs. Pompei voiced concern that the cost for Green Mountain Behavioral Consultant's BI's is double that of Washington County Mental Health BI's and that in addition to that, GMBC also charges extra for Extended Year Services. Mrs. Pompei queried regarding possible differences in cost for students who are eligible for Medicaid, vs students who are not. Discussion was held regarding various charges and reimbursements and Mrs. Anderson noted that the numbers on the report reflect the Medicaid rate, and if students are not eligible for Medicaid, the WCMH cost is closer to the GMBC rate. Mrs. Anderson advised that WCMH is the designated local agency and therefore are able to bill Medicaid directly, which most likely is the cause of the cost difference. When we utilize GMBC, some of the services can be billed to Medicaid, but it is not known if the reimbursement is the same as for WCMH. Mrs. Perreault advised that it is a clearly different program, and believes the annual reimbursement for a student (depending on the level of services), could bring in \$5,000 annually.

Mrs. Pompei advised that the Board was previously told that switching from WCMH to GMBC would result in savings, though it appears that GMBC is much more expensive than WCMH. The anticipated savings are not happening and Mrs. Pompei asked if administrators were planning on switching back to WCMH. Mrs. Anderson advised that WCMH currently has more demand than staff. Mrs. Anderson advised that she was not a participant in the previous discussions relating to switching contractors.

Mrs. Perreault reported that since the previous discussion, WCMH changed the way they provide services, and began using a 'Pod' model. Mrs. Anderson advised that she is very cognizant of SPED costs and that sometimes there are limited choices when students need services. In response to a query regarding the goal of increasing in-house capacity, Mr. Coon reported that BCEMS is continuing to make increases in internal capacity, and are making efforts to reduce the reliance on contracted services. A change implemented at BCEMS this year, is the addition of the Restorative Classroom Program (grant funded), Mr. Wells advised that in addition to potential cost savings associated with this program, it allows the BUUSD to keep students 'closer to home'. Mrs. Anderson advised that the vision for the SEA program is to provide a good home grown alternative of programming and to also begin including middle school students in the program. Mr. Derner and Mrs. Anderson have held conversations with administrators regarding the SEA program being a system wide approach (K – 12).

#### **7. Other Business**

Mr. Wells voiced his appreciation to Mrs. Perreault, Administrators, and the Finance Department for their efforts last year, to create a newly formed district that resulted in an audit with no findings.

#### **8. Items for Future Agendas**

- FY22 Budget Development - January
- FY21 Year-end Projections January
  
- Solar Management Follow-up – (February)
- Staff Appreciation (under Efficiency Studies) – (February)
  
- Coordinated Supply Purchases/Procedures (non-custodial) Follow-up (April)

#### **9. Next Meeting Date**

The next meeting is Tuesday, January 5, 2020 at 5:30 p.m., via video conference

#### **10. Adjournment**

**The Committee agreed by consensus to adjourn at 7:28 p.m.**

Respectfully submitted,  
*Andrea Poulin*