

**BARRE UNIFIED UNION SCHOOL DISTRICT
FINANCE COMMITTEE MEETING**
Via Video Conference – Google Meet
June 15, 2021 - 5:30 p.m.

MINUTES

COMMITTEE MEMBERS PRESENT:

Sarah Pregent (BC) - Chair
Renee Badeau (BT) – Vice Chair
Gina Akley (BT)
Chris Parker (BT)

COMMITTEE MEMBERS ABSENT:

OTHER BOARD MEMBERS PRESENT:

ADMINISTRATORS PRESENT:

Mary Ellen Simmons, Assistant Superintendent of Instruction
Stacy Anderson, Director of Special Services
Hayden Coon, BCEMS Principal
Jamie Evans, Facilities Director
Chris Hennessey, BCEMS Principal
Carol Marold, Director of Human Resources
Lisa Perreault, Business Manager
Brenda Waterhouse, SHS Principal

PUBLIC MEMBERS PRESENT:

Jody Emerson Josh Howard Sue Paxman Terry Reil

1. Call to Order

The Chair, Mrs. Pregent, called the Tuesday, June 15, 2021 BUUSD Finance Committee meeting to order at 5:30 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 Meeting Minutes From May 18, 2021

On a motion by Ms. Parker, seconded by Mrs. Akley, the Committee unanimously voted to approve the Minutes of the May 18, 2021 BUUSD Finance Committee meeting.

5. New Business

5.1 FY22 Budget Re-vote Outcome

A document titled BUUSD FY20-22 Budget, Expense Summary Voter Approved 06/09/21 was distributed. Two documents titled BUUSD Budget 2021-2022 – Voter Approved June 9, 2021 Projected Comparative Tax Rate Calculations were distributed (one dated 06/09/21; the other labeled as updated on 06/14/21). An email from Brad James (dated 06/10/21) was also distributed.

Mrs. Pregent advised regarding the FY22 revote outcome. Voters approved the budget (vote 3) on 06/09/21. Mrs. Perreault provided an overview of the email from Brad James which advises that the property yield has been set at 11,317. This change from what was previously projected (11,385), causes the tax rate to go up slightly. Mrs. Perreault advised that the higher the yield, the lower the tax rate. This slight change, brings the Barre City Tax Rate to a 1¢ increase and the Barre Town Tax Rate to a 28¢ decrease. The equalized pupil count did not change. Because the CLA (Common Level of Appraisal) has not been set, the Projected Tax Rate Calculations cannot be finalized and remain labeled as ‘projected’. Mrs. Akley queried regarding creation of a ‘calculator’ (to estimate taxes), once all of the information is received. Mrs. Perreault advised that Barre Town reappraisals are due towards the end

of this month, but that tax bills are not generated until August. Typically the AOE calculates the tax rates and forwards that information to Mrs. Perreault. Mrs. Perreault advised that once the Homestead Education Tax Rate is known (though the municipal tax rate won't be known), a calculator could be added to the BUUSD web site. Mrs. Perreault will discuss creation of a calculator with Communications Specialist, Josh Allen.

5.2 Revenue Anticipation Note (RAN)

A letter from Hope Crifo (Community National Bank), dated 05/28/21 was distributed. Mrs. Perreault advised that this item typically bypasses the Finance Committee and goes directly to the Board after the budget is passed (typically in March). After the vote, there is a 30 day rescind period. The RAN will be presented to the Board on 07/08/21, and can move to authorize the Board Chair to sign the documents once the rescind period has passed. Community National Bank is proposing a rate of 1.79% with a reinvestment rate of 2.19%. There is no action required of the Finance Committee

5.3 RFPs/Summer Facilities Projects

Seven documents were distributed;

A document titled 'BUUSD 5 Year Facility Draft Plan' (dated 06/07/21).

Four documents titled BUUSD Capital Improvements & Major Repairs' (one for each building).

A document titled BUUSD FY22 RFP Schedule, Facility Projects, etc... spring/summer 2021, dated June 2021.

A document titled 'As passed by House and Senate H.426 2021' (This document will also be discussed under Agenda Item 5.6

Mrs. Perreault advised that the BCEMS Roof Project, BTMES Bleacher Project, Copier Renewal, Snow Plowing renewal, and SHS Auditorium Project have already been approved by the Board. Mr. Evans has provided an overview of the 5-Year Facility Draft Plan and documents advising of Capital Improvements and Major Repairs for each building. In response to a query, it was noted that the Facilities Budget has been reduced from the industry standard of \$1 per SF, to 75¢ per SF, which does have a significant negative impact on facilities maintenance and funding for projects. In response to a comment from a community member, it was noted that the budget is not being padded/mismanaged, that the buildings are very well maintained, that it is a standard to have sufficient money in the budget to allow for annual maintenance/projects to keep the buildings running safely/efficiently, and that is wise to keep funds in a Capital Reserve Fund for use in the case of an emergency situation (e.g. an unexpected boiler issue). It was reiterated that the BUUSD has large facilities that are expensive to maintain. It was noted that though public comment is appreciated, members of the community are cautioned against making commentary that accuses the Board/BUUSD of financial mismanagement. It was noted that the Board/Administrators work hard to manage the budget responsibly, and some of the comments this evening do not make a fair assessment. Mr. Evans provided additional information relating to facilities, noting that due to the reduction in the budgeted square footage amount, it is necessary to pull funds from the Capital Reserve in order to complete the necessary roof work at BCEMS. Mrs. Perreault reiterated that it is very important to keep money in a reserve fund to assure that funding is available to address unbudgeted emergency issues that arise. Mr. Evans suggests using surplus funds to increase the Capital Improvement Reserve fund so that some of the 'large dollar' projects (documented in the packet) can be completed. Mr. Evans clarified that 'deferred' maintenance is not maintenance that has been ignored, but rather is maintenance that hasn't been performed because funds have not been available.

5.4 Review Grant Funding

A document titled Federal Grant Expenditures – Consolidated Federal Grant (CFG) and ESSER I, II, III (dated 06/15/21) was distributed. Mrs. Perreault advised regarding requirements for Federal grants, including: community outreach, reporting, RFP requirements etc. Mrs. Perreault provided an overview of the required categories, and examples that are included in the documentation. Ms. Simmons advised regarding how the plan is being created, including: gathering input, coordination with the Vision, Mission, Strategic Plan Design Team, and development of a survey. It was noted that the current grant funding 'period of performance' runs through September 30, 2024 (approximately 3 years), hiring is being carefully tracked, and there is a goal to provide intense assistance to students, and close gaps caused by COVID. It is expected that the gaps are temporary, and that needs will decrease. Employees hired under this grant funding are made aware that their positions are year to year. As examples of Capital Improvements include playgrounds etc, there was a query regarding whether or not funding could be utilized for improvements to the SHS Athletic fields that according to past estimates, will cost \$4,000,000. It was noted that improvements must be related to COVID and be geared toward student improvement (student focused). Mrs. Pregent noted that the list of examples does list playgrounds and she wonders if there is any way that some of the funds could be utilized for improvements at SHS. Mr. Hennessey advised that he has been in contact with Ed Rousse, President of the Spaulding Foundation, and is hoping to get some of these projects rolling.

5.5 Surplus Transfer to Reserve Funds

A document titled 'The Vermont Statutes Online (Title 16, Chapter 009, Subchapter 004 §567 Surplus) was distributed.

A document titled 'Governmental Accounting Standards Board (GASB) 54' was also distributed.

Mrs. Pregent advised that the Committee would be discussing possible recommendations to the Board regarding the transfer of surplus funds to reserve accounts. Mrs. Perreault advised regarding the GASB document which outlines what the different fund balances are and what the Board has the authority to manage or assign. Mrs. Perreault provided an overview of the information included in the document. Mrs. Perreault has been consulting with BUUSD auditors regarding what Funds the Board can assign funds to. It was noted that voter approval is required to move surplus funds to a Tax Stabilization Fund. Mrs. Pregent reported that there is currently an unaudited projected surplus of 1.8 million dollars. Given the projected surplus, Mrs. Pregent requested that the 5 year plan be

included in tonight's packet. It was noted that the listed projects exceed the surplus amount. Mr. Evans provided an overview of the 5 year plan and other projects listed in the documentation. Mrs. Pregent noted that even if the facilities budget was created utilizing the industry standard of \$1 per square foot, it would not be possible to complete all of the necessary projects. Mr. Evans advised that though the buildings are not failing, there are a lot of 'big ticket' items that need to be addressed, and to ignore them would be negligent. A community member queried regarding the possibility of giving refunds to tax payers. It was noted that it would most likely be very complex to try to provide refunds to tax payers, but that the Tax Stabilization Fund is used 'to return' money to the tax payers. It is not known if it is logistically and/or legally possible for the District to provide refunds to tax payers. Mrs. Perreault advised regarding how the Tax Stabilization Fund is used to offset tax increases. Mrs. Akley advised that through Act 60 the tax dollars paid by the community are not sent directly to the District. Tax dollars are given to the State and the State disburses funds based on the Education Formula. There is not a linear correlation between taxes collected and funds provided to the District. It was agreed that refunds to tax payers will be researched. Mrs. Perreault will discuss this matter with the auditor. A community member questioned the need to install fencing on the back side of the BTMES playground, noting that he believes signs relating to a 500 foot distance from the property should be sufficient to deter hunters from being within sight of the playground. Mrs. Pregent reiterated that she believes discussion should be held regarding a recommendation to the Board regarding the amount of surplus funds to be placed in the Capital Improvement Reserve Fund. The Committee can make a recommendation, but only the Board has the authority to make the final decision on moving surplus money to the Capital Improvement Fund. Mrs. Akley, noted that because 44% of the voters, voted against the budget, it would be prudent to perform additional research prior making a recommendation. Mrs. Perreault advised that the Board can vote to move some of the surplus funds to the Capital Improvement Fund, but that no decision has to be made in the immediate future (monies would need to be assigned prior to the audit). Mrs. Perreault advised that she can invite the auditor to a future meeting. Transfer of Surplus Funds to Reserve will be added to the next agenda.

5.6 Finance Procedures

A document titled BUUSD Purchasing Procedure (revised 10/07/20) was distributed.

A copy of the Fiscal Management and General Financial Accountability Policy (F20) was distributed.

A document titled 'As passed by House and Senate H.426 2021' was distributed under Agenda Item 5.3, and is also pertinent to this agenda item.

Mrs. Perreault advised regarding a change to law that increases the threshold for requiring bids (3), from \$15,000 to \$40,000.

Mr. Evans advised that given the costs involved in projects, the raising of this threshold will help streamline the process involved when planning projects. Policy F20, and the BUUSD Purchasing Procedure will need to be updated to reflect this change. The Policy Committee will be responsible for the policy change. Mrs. Akley would like policy F20 to be amended to also include a requirement that the Board be notified of projects that are bid below the threshold, but end up costing more than the threshold. Procedures will be updated by the Business Office. Procedures do not require Board approval. It was clarified that the law defines the threshold for when bids are required, but does not preclude the Board from setting a different threshold for requiring Board approval of projects. If an approval threshold is in policy, it requires Board action to change. If an approval threshold is imbedded in procedures, it could be changed without Board knowledge or approval.

6. Old Business

6.1 FY21 Year-end Projections

The BUUSD FY21 Year End Projection Report (dated 06/15/21), and the BUUSD Expense Report (dated 06/07/21) were distributed.

Mrs. Pregent reiterated the projected surplus amount of \$1.8 million dollars, advising that the large surplus is due mainly to COVID (grant monies received and lower supply costs due to schools operating remotely).

7. Other Business

None.

8. Items for Future Agendas

- Information Regarding Direct Tax Per Refunds of Surplus Funds
- Recommendation For the Transfer of Surplus Funds to Reserve Fund
- Review Unaudited FY21 Year-end Projections
- Financial Procedures Review (if applicable)

9. Next Meeting Date

The July 6, 2021 meeting has been cancelled.

The next meeting will be held on Tuesday, August 3, 2021 at 5:30 p.m. The meeting location is to be determined.

Brief discussion was held regarding changes to open meeting laws, which will require a physical location for meetings. Discussion of locations and the capability to hold meetings in hybrid mode (in-person & remote access) is a broader issue involving the Board and all committees, and discussions are being held to address this issue District wide.

10. Adjournment

On a motion by Mrs. Akley, seconded by Mrs. Parker, the Committee unanimously agreed to adjourn at 6:59 p.m.

Respectfully submitted,
Andrea Poulin