

**LNSU/LNMUUSD Finance and Capital Committee**  
**Minutes of Meetings**  
**September 20, 2021**

**Present:** Deborah Clark, Mark Stebbins, Bart Bezio, Laura Miller, Angela Lamell, Patty Hayford, Mark Nielsen, Sue Prescott, Dylan Laflam

**Minute Taker:** Sue Trainor

**Call to Order, Approval of Agenda and Public Comment:** Stebbins called the meeting to order at 6:06 p.m. There were no amendments to the agenda. Bezio made a motion, seconded by Lamell, to approve the agenda. The motion passed unanimously. There was no public comment.

**Update on Ransomware Event and Costs:** Clark informed the Committee that all work and payouts related to the ransomware attack had been finalized. The total cost was \$175,009. They had received an insurance reimbursement of \$45,968. The District was appealing that decision with help from VSBIT. This had been a laborious process and had taken eight months to get the claims reviewed by the insurance carrier. The District was fortunate that due to CARES Act funding for work done for remote learning, intense cleaning, and other COVID-19 mitigation protocols, it meant that more general fund was available to help pay the costs of the ransomware. They would continue to try to collect anything they could. The carrier had also now changed their cyber coverage. Lamell asked if the coverage had been renewed. Clark stated it had been renewed but it was less coverage.

Clark explained that the insurance carrier had argued that the virtual servers were new equipment, as well as the cameras and security system were all considered new equipment by the insurance company. They would have paid to put everything back as it was, but some of the replacement equipment wouldn't work with the older models so it needed to be upgraded. Clark, Pena and Laflam together had spent 100 hours dealing with the response to the insurance carrier.

**Review FY2023 Budget Development Timeline:** Clark stated the budget timeline would be similar to last year, just moved up one more day as Town Meeting will be on March 1, 2022. Next Year, 2023, Town Meeting should be a week later as the first Tuesday in March should reset to the second week in March (3/7/23). The budget development packet will be going out to the administrators by the end of this week/early next week. The budget module is available in Infinite Visions. Salaries, wages and benefits will be rolled over from the current year on Friday. The administrators then need to review whether the FTE's look appropriate for the next year. Clark was proposing a 1.5% increase on everything not personnel-related as a starting point. Anything greater than 1.5%, or any new initiatives, will need to be outlined and explained. The State will provide the yield and the estimated tax rates on December 1<sup>st</sup>. At that time, the District can begin estimating the tax impact of the budget. In November, there will be a first look with all the wish lists included.

Currently, from FY2021 there are preliminary surpluses at the Supervisory Union level of \$363,000, in addition to the \$415,000 from the prior year. The MUUSD has an estimated surplus of \$719,000 in addition to the \$248,000 from the prior year. These numbers were similar to what they had last year for surpluses to work with. Expenditures were increasing now that they were back in school full time. There are ESSER II and ESSER III funds available. ESSER III is mostly slated for personnel initiatives for the three years of academic recovery; however, there are going to need to be investments in addition to that which will need to be supported from the general funds. There is a lot of social-emotional and engagement needs to address. Transportation continues to also be an issue. Clark stated that Massachusetts was having the National Guard drive buses and she thought it was an interesting idea. FY23, the District would experience the revenue impact of less transportation expenses in FY20. Clark reminded the Committee that the reimbursement for transportation had a two-year lag.

First meetings on the budget were scheduled for November 15<sup>th</sup> and throughout December. GMTCC would be sooner as they need their budget approved a month earlier because the sending schools need to know what the tuition will be for the Tech Center.

**Update on ESSER-Funded Renovation Expansion of Eden Central School:** Clark stated they had talked previously about the possibility of expanding Eden Central School because of overcrowding. It was projected that enrollment would continue to grow. ESSER II funds can be used to cover COVID-19 mitigation-related construction. The District had received the preliminary concept approval from the AOE today for the project.

Laflam began by explaining that the idea for this project began in 2017 after the first meeting took place at Eden Central School with a tour of the building. The building was clearly crowded and cramped; that meeting got the ball rolling. The District had a space use analysis done in 2019; that analysis showed that the school was at or above capacity. In late 2020, Laflam looked into purchasing a new or used modular. The prices were staggering. It would cost \$500,000 for a used modular and close to \$750,000 for a new unit. Laflam would prefer to have a more permanent solution.

In April, Randy Burnett from Colin Lindberg, Architect (the firm that prepared the Space Use Analysis) did another walkthrough of the space. They provided an estimate of \$900,000 for the project; however, between April and a few weeks ago, that estimate increased. This was due to the increased costs of construction. The cost of labor is now being bid at time and a half. There could be market corrections and those numbers could go back down, but Burnett thought it was important to show the higher costs.

The concept for the project is a 3,500-square-foot addition on the playground side of the building. This construction will allow for overflow spaces. It will rework the administrative space and the health area. The health care space could be the most state of the art in the district with dedicated HVAC. There could be a three-season outdoor classroom as an alternate and the gymnasium could be split in two for additional classroom space; also an alternate. The engineers did a full review of the HVAC system. The impact on the HVAC system would be small.

Hayford asked if a long-term analysis had been done as to the anticipated population. Laflam stated that was being done now. Bezio asked if any alternative uses of the ESSER II funds were being considered. Clark said not in terms of buildings. There had been talk of IT investments. Most of the ESSER II & III funds were going toward personnel. Personnel was about 80% of all the ESSER II & III funds. 11.5% was facilities and supplies were about 9%. The capital reserves at Eden has \$145,000 available for this project. There are also funds available for the wireless access points. There is still \$25,000 of bond money available and the rest would be ESSER II funds. There is more COVID-19 money for HVAC which could mean maybe not needing to use so much of the ESSER II funds.

Clark stated the question was whether the Committee agreed on whether to bring this to the Board. The State said in concept it was acceptable and an ESSER II-allowable project. Hayford asked if other schools would need to change to accommodate the three-foot or six-foot rule. Laflam stated other schools were able to adjust but Eden had no room to expand and was at full capacity. Laflam noted that last year Eden could only accommodate 60% of the enrollment for in-person instruction while following all COVID-19 mitigation standards.

Laflam stated the next phase would become more expensive, as engineers would need to become involved. \$60,000 of capital reserve would need to be used. Clark noted that they were at the point of deciding whether to commit to the project or not. If the Committee didn't agree with the concept, spending \$60,000 on engineers shouldn't take place.

The ESSER II funds need to be used by September, 2023. ESSER III funds need to be used by September 2024 and those funds are currently focused on student supports and academic recovery. Clark noted that \$100,000 had been spent on the summer program and that was supported by the ESSER III funds.

Miller stated she thought the Board needed to be apprised of the project. Mark Nielsen also did a tour of the space. Nielsen stated he wouldn't be very proud if the Committee kept pushing the date out for this decision. People were trying to make do at Eden. The project would only get more expensive. They need the space and have needed it for a long time. It's a good town and it's part of the community. Stebbins agreed with Nielsen. Stebbins stated this project dealt with the essential need. Miller stated it was COVID-related because of the requirements of spacing. Bezio agreed it needed to be done. Prescott noted her concern was about the projected number of students. If the numbers were higher than anticipated, should the Committee be thinking of a larger project?

Stebbins said he thought everyone was supportive of this as a project. Nielsen made a motion, seconded by Hayford, to proceed with the project. Bezio asked if there was a timeline for the enrollment projections. Clark stated she would hope to have that ready by the next board meeting. The motion passed unanimously.

**Review and Adopt Final Scope of Responsibilities of Committee:** Clark read the responsibilities the Committee agreed to last year. They are as follows:

- Support the Board in developing and maintaining policies for the management of, in a fair and open manner, the financial affairs of the school district;
- Support application of acceptable financial practices and appropriate accountability;
- Support the Board in the appropriate oversight of capital investments; and
- Support the Development of annual budgets that –  
Adhere to common parameters of:
  - Meeting State Education Quality Standards
  - Maintaining a safe environment conducive to learning.
  - Insuring new program or service benefits clearly exceed costs.
  - Balance existing programs with benefits that justify costs.
  - Supporting the four essential questions of Professional Learning Communities (PLC's):
    - ✓ What do we expect students to learn?
    - ✓ How do we know when they have learned it?
    - ✓ How do we respond when they don't learn it?
    - ✓ How will we respond when they already know it?

Bezio stated they seemed to be appropriately broad and comprehensive. Prescott asked if they could receive the State Quality Education Standards. Stebbins stated the four areas: curriculum, assessment and instruction, professional involvement, affordable resource management and safe and healthy schools. Prescott asked how the Committee would measure themselves against these standards. Clark stated it was by looking at the number of successful beneficial projects moving forward that were student-centric. Prescott asked if they would review this information quarterly. Clark stated that could be done. Stebbins stated the example of the Eden project being one that would fall under the standard of "maintaining a safe environment conducive to learning".

Miller made a motion, seconded by Bezio, to adopt the scope of responsibilities of the Committee. The motion passed unanimously.

**Other Business:** Clark noted there was a new internal controls document on the website. Clark also outlined a Micro and Small Purchase Decision Procedure that the Board needed to vote on annually.

**Adjourn:** Bezio made a motion, seconded by Hayford, to adjourn the meeting at 6:20 p.m.