

**BARRE UNIFIED UNION SCHOOL DISTRICT
FINANCE COMMITTEE MEETING**
BUUSD Central Office and Via Video Conference – Google Meet
October 5, 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:

Sonya Spaulding

ADMINISTRATORS PRESENT:

Chris Hennessey, Superintendent
Jody Emerson, Director Central Vermont Career Center
Lisa Perreault, Business Manager

PUBLIC MEMBERS PRESENT:

Dave Delcore – Times Argus Terry Reil

1. Call to Order

The Chair, Mrs. Pregent, called the Tuesday, October 5, 2021 BUUSD Finance Committee meeting to order at 5:31 p.m., which was held at the BUUSD Central Office and via video conference.

2. Additions and/or Deletions to the Agenda

Mrs. Perreault will provide an update on the e-Finance system under Other Business.

3. Public Comment

None.

4. Approval of Minutes

4.1 Meeting Minutes - September 7, 2021

On a motion by Ms. Parker, seconded by Mrs. Akley, the Committee unanimously voted to approve the Minutes of the September 7, 2021 BUUSD Finance Committee meeting.

5. New Business

5.1FY23 Budget Development

A document titled ‘FY23 BUUSD/CVCC Budget Development Considerations – October 5, 2021’ was distributed. Mrs. Perreault provided an overview of the ‘considerations’, noting that the first preview of the expense budget will occur in November. There are currently many unknowns, e.g. revenues and equalized pupil counts. There is much work going on behind the scenes, including many meetings with administrative teams and directors. More information should be available in December. It is hoped that the Board and the Finance Committee can share their perspectives, goals, and values. The Board may wish to integrate the Strategic Plan into their thoughts and goals regarding budget development. Regarding the CVCC Governance Transition, Mrs. Perreault advised of a recent article in the Times Argus (which provided a good outline of the plan). As in the past, two separate budgets will be presented to voters (CVCC and BUUSD). Ms. Emerson was lauded for her efforts in informing the community regarding the possible change in governance. Clarification was provided regarding voting on the CVCC budget. If a new governance structure is passed (in March) but the budget doesn’t pass, a revote would most likely be presented to all sending districts (rather than just Barre City and Barre Town). The Regional Advisory Board reviews the CVCC budget draft, and makes a recommendation to the BUUSD Board. Currently, the BUUSD Board approves a CVCC budget for presentation to voters (in Barre City and Barre Town only). Currently CVCC tuition is paid by sending schools, but there may be legislation that changes that system. Legislation would most likely have the tuition money ‘follow the students’, and be paid directly to the technical centers (from the State), rather than be paid by the sending schools. If the State approves a new governance model (the tech center being regionally controlled by the 18 sending towns), every sending school town will vote on whether or not to change to a regional governance model, and will also vote to elect four at-large Board Members (in the event the new model is voter approved). For FY23, the budget will still be voted on by only

Barre City and Barre Town. If the new governance model is approved, the FY24 budget will be voted on by all 18 sending towns. As long as CVCC remains physically located in Barre, the District budget will need to include the lease and any contracted services (being provided by the BUUSD, e.g. payroll).

Mrs. Perreault advised regarding the consideration pertaining to the unaudited fund balance, noting that the auditors reminded the District that the District came into FY21 with a negative \$313,000 fund balance. That amount needs to be deducted from the FY21 year-end projected surplus. Mrs. Perreault advised that the Tax Stabilization Fund is \$900,000, and that negotiations are continuing with teachers and custodians. Additionally, the VSBA is providing resources relating to health care negotiations. It would be beneficial for Board Members to review the VSBA web page that contains this information. Two representatives from the employer commission have been invited to attend the VASBO meeting on Friday (10/08/21). Information relating to Act 173 is forthcoming daily. Act 173 goes into effect on 07/01/2022. The District is currently waiting for the Agency of Education to provide revenue projections, and provide additional information regarding what the new funding will look like. The District is also waiting to hear from the State regarding equalized pupil numbers. Mrs. Perreault reiterated that those working on budget development are looking forward to receiving input from the Board. Mrs. Spaulding believes Statewide Health Insurance negotiations will be discussed at the regional VSBA meeting. Mrs. Spaulding encourages Board Members to attend the Regional meeting on Thursday, 10/07/21. Mrs. Perreault provided a brief overview of Act 173, advising that the reimbursement formula is changing from a 'block grant' to a census based reimbursement. The District is waiting for additional information, including the possibility of weighting for districts with high poverty levels. Act 173 does allow more flexibility in the use of funds. Mrs. Perreault advised that the higher reimbursement for students who qualify as 'extraordinary' (expenses over \$60,000), will continue. In response to a query regarding the impact of not having allocated surplus funds, Mrs. Perreault advised that paying the current expense note (with surplus funds) would result in future savings (interest), and further noted that much planning work goes into large projects, and the preliminary work needs to be started in the near future to assure that the work can be performed in the summer of 2022. It was noted that the ESSER funds have a period of performance that ends 09/30/2024. It is hoped that after the public 'listening session', the Board will feel more comfortable making recommendations.

5.2 FY22 Financials

Copies of the BUUSD and CVCC FY22 Year-End Projection Reports (dated 10/05/21) were distributed. (BUUSD unaudited projected surplus: \$183,873, CVCC unaudited projected surplus: \$9,458).

Mrs. Perreault advised that she has created a projection, but it is very early in the year for projections. Mrs. Perreault has been very conservative with this projection. Most of the projected surplus is due to open/unfilled positions. As the year progresses, it will be possible to identify significant differences, and why they are occurring. Mrs. Akley wants it to be very clear that much of the surplus is due to open positions, which is not a position the District wants to be in. Mr. Hennessey noted that there are currently 17 open para-educator positions.

5.3 FY21 Audit

Mrs. Perreault advised that auditors will be at the Central Office this week, and that the audit is moving along well, with things looking good so far. There are no known findings at this time. Tyler Kimberly is working on the 'single' audit (for Federal Grants). It is anticipated that draft audits will be available by the end of October. The auditor did not make any recommendation on whether or not to allocate surplus funds.

6. Old Business

None.

7. Other Business

Mrs. Perreault reported that Secretary French and Bill Bates were invited to speak to the House Education Committee, where they announced that they are very disappointed with the eFinance software, which is not serving the needs of districts and is not adequate to perform the necessary functions. They do not recommend that any other districts convert to eFinance. The BUUSD will not be converting to the eFinance system. In the future, the District may explore some other innovative systems. As the State was funding the eFinance system, districts are asking the State what they might offer for financing of different systems.

8. Items for Future Agendas

Items for November include:

- FY23 Budget Development
- FY22 Year-end Projections
- FY21 Audit Draft

It was noted that auditor Tyler Kimberly should be invited to attend the December Board Meeting (for presentation of the Audit).

9. Next Meeting Date

The next meeting is Tuesday, November 2, 2021 at 5:30 p.m., at the BUUSD Central Office and via video conference.

10. Adjournment

On a motion by Mrs. Akley, seconded by Ms. Parker, the Committee unanimously agreed to adjourn at 6:06 p.m.

Respectfully submitted,
Andrea Poulin