

**BARRE UNIFIED UNION SCHOOL DISTRICT
FINANCE COMMITTEE MEETING**

Spaulding High School Library and Via Video Conference – Google Meet
August 9, 2022 - 6:00 p.m.

MINUTES

COMMITTEE MEMBERS PRESENT:

Nancy Leclerc (BT) - Chair
Terry Reil (BT) – Vice Chair
Paul Malone

COMMITTEE MEMBERS ABSENT:

John Lyons, Jr.
Sarah Pregent (BC)

ADMINISTRATORS PRESENT:

Chris Hennessey, Superintendent
Lisa Perreault, Business Manager

PUBLIC MEMBERS PRESENT:

Josh Howard Kerri Lamb

1. Call to Order

The Chair, Mrs. Leclerc, called the Tuesday, August 9, 2022 BUUSD Finance Committee meeting to order at 6:00 p.m., which was held at the Spaulding High School Library and via video conference.

2. Additions and/or Deletions to the Agenda

On a motion by Mr. Reil, seconded by Mr. Malone, the Committee unanimously voted to approve the Agenda as presented.

3. Public Comment

None.

4. Approval of Minutes

4.1 Meeting Minutes From June 21, 2022

On a motion by Mr. Malone, seconded by Mr. Reil, the Committee unanimously voted to approve the Minutes of the June 21, 2022 BUUSD Finance Committee meeting.

5. New Business

5.1 FY24 Budget Development Schedule

A document titled 'BUUSD FY24 Budget Development Schedule' (dated 08/09/22) was distributed.

Mrs. Perreault provided a brief overview of the schedule, advising that per policy, a budget development schedule is drafted each year and presented to the Board. In mid-September, Mrs. Perreault will reach out to administrators and begin scheduling meetings with them. Mrs. Perreault will develop a template to be used for budget development. The first focus of budget development will be employee expenses (which make up the bulk of the budget), then the focus will begin on other expenses, including programs. Meetings with administrators and directors will be held throughout September and October, with updates being provided to the Finance Committee. The projected Expense Budget will first be presented to the Board in November. Revenue information is not known in November. Revenue information is provided by the State in December. The Board's Final approval of the budget and warnings should occur at the 01/12/23 Board meeting, to allow for legally required postings. Brief discussion was held regarding the process, including presentation of a budget 'considerations and highlights' document to the Committee and the Board. Mr. Hennessey advised that districts are moving in the direction of eliminating some support staff positions (which are difficult to fill), and are looking to find different and more creative ways to meet student needs. Mr. Malone advised that in the past, it worked best to have principals present at committee and board meetings so that they may provide additional information and answer questions. In response to Mr. Hennessey's suggestion that principals provide written reports, it was noted that it is more beneficial to have administrators present in meetings to answer questions as they arise. After brief discussion, it was agreed that the Committee will probably need to hold additional meetings during budget development. Mr. Hennessey suggested that a listening session be held in November or December. Mr. Reil suggested that use of any surplus funds be discussed as early as possible. It was suggested that discussion of surplus funds be discussed at the second Board meeting in October. Mr. Malone reiterated his belief that it will be necessary for the Finance Committee to meet twice a month during budget development, most likely beginning in October. In response to a query from Mrs. Leclerc, Mrs. Perreault provided a brief overview of when information is received from various outside sources and administrators. Discussion of additional Committee meetings will occur at the September meeting. Mr. Malone stressed the importance of receiving data as early as possible. Mr. Malone noted that in previous years, reports containing 3 years' worth of

data were reviewed by the Committee and suggested that those reports be provided this year. Mrs. Perreault advised that the budget development template does include multiple years of data. Mr. Howard, noting the elimination of the Communications Committee, queried regarding how budget 'mailings' will be developed for the upcoming budget. Mr. Hennessey advised that the Communications Director will attend relevant meetings and draft the documents. Mr. Reil has obtained a copy of the Annual Report from Washington Central Supervisory Union, and requested that the BUUSD's Annual Report be modeled similar to WCSU's as theirs provides much more information and answers many of the questions that community members ask. Mr. Reil will share copies of the report. In response to a query from Mr. Howard, it was noted that there are not multiple versions of budgets presented to the Board. In the past, options were provided to the Board for consideration when budget cuts were necessary due to failed budget votes.

5.2 Salary and Wage Metrics FY23

A document titled 'BUUSD Salary Schedules – FY23' was distributed.

Mr. Hennessey provided contextual information regarding the schedules and noted the primary reasons for its development. Mr. Hennessey advised that most of the compensation packages were not competitive with regional neighbors (within Central Vermont). Mr. Hennessey also noted that within the BUUSD's teams, there were huge inconsistencies e.g. 10 year employees making significantly less than a new employee. Mr. Hennessey believes the new schedule makes things fairer and will simplify the budgeting process. Mr. Hennessey advised that schedules for the category of Central Office Administration (Directors), as not been addressed yet. In response to a query regarding why this hadn't been shared with the Board, Mr. Hennessey advised that the decisions were shared with the Board (last fall and during the winter), to keep the Board informed. Mr. Reil noted that in the spirit of transparency, he would like to discuss a number of items. Mr. Reil advised that he fully supports the schools and compensating staff well, and noted that as a board member, he also cares about the community/tax payers that put the Board in place. Mr. Reil queried regarding who performed the analysis, advising of research he performed that indicates that it's not entirely true to say that the BUUSD is not comparative with other neighboring districts. Mr. Reil's research indicates that for the job of Assistant Principal (11 positions in this region), the BUUSD ranks 2, 3, 6, 9, and 11. For the role of Principal (29 in the region) the BUUSD ranks; 7, 10, 12, 18, 21, and 22. Mr. Reil does not believe these numbers reflect a large discrepancy in pay. Mr. Hennessey does not believe all the salaries are egregiously off, but believes that generally the District is lower. Mr. Reil believes some of the higher paying districts have salaries that he believes are much higher than they should be, and doesn't believe it is fair to the community to say that the BUUSD is way out of line with neighboring districts. Additionally, Mr. Reil agrees the District needs to find creative ways to hire and retain employees, but, also that the Board needs to follow Board Norms which state that the Board needs to 'balance the needs to the taxpayers'. Mr. Reil noted that the Barre Community's median household income is 8% to 15% lower than that of neighboring districts, and thus Barre tax payers have less ability to pay the same rates as some of our neighboring districts. Mr. Reil also noted that tax payers are also facing significant increases in their regular household living expenses. In response to a query, Mr. Hennessey confirmed that the increases reflected in the document have already been put in place. Mr. Reil noted that in the spirit of transparency, it needs to be noted that the numbers reflected in the schedule are greater than what was budgeted for. Mr. Hennessey advised that there was money available within the budget. Mr. Reil voiced concern that the new schedule reflects an increase of approximately \$40,000 more than the \$30,000 already allocated for salary increases. Mr. Reil is concerned that the schedule represents \$70,000 of increases (for only 9 individuals) and this increase will continue year after year. Mr. Reil expressed concern that by the time the Board was notified of the salary increases, they had already been implemented and that prior to the metric, there was already a budgeted increase in place for 2023 and this metric is larger than what was budgeted. Mr. Reil reiterated his respect for administrators and his concern that the \$70,000 increase for 9 administrators will be shouldered by tax payers year after year. Mr. Reil voiced concern that though the Superintendent advocates for BI's, para's and substitutes, 'the folks at the table that got first crack at the dollars, were the people sitting at the top'. Mr. Reil believes that these increases for administrators create bad PR and do nothing to attract individuals to fill those lower paid positions. Mr. Reil reiterated that the District's tax payers are already at capacity and do not have 'deep pockets'. Mr. Reil queried regarding salaries for Assistant Principals, noting that the salaries in the metric provided in tonight's packet are higher than the number provided to the Board on 05/03/22 (increases of \$2,000 to \$3,000 higher) and the Board was not advised of this change. Mr. Hennessey believes that some of the Assistant Principals were at the 210 (day) contract, and need to be at the 261 (day) contract (full time). Mr. Reil reiterated that he is raising issues in an attempt to assure transparency, and voiced concern that the metric was implemented without Board approval. In response to a query from Mr. Malone, Mr. Hennessey advised that the Board was made aware of the decision to provide increases. Mr. Hennessey does not believe the Board needs to vote on increases that fall within the budget. Mr. Reil believes that in the interest of transparency, increases should be brought to the Board and voted on so that there is a record of approval and everyone is 'on the same page'. Mr. Reil appreciates the context and the effort to recruit and retain employees, but at the same time, he would like to have community 'buy in'. For the non-contracted hourly and salary employees, Mr. Reil would like to see a scale of what the previous rates were. Mr. Hennessey advised that it is much more beneficial to have an hourly/salary scale in place and advised that the District needed to 'right the ship' in an attempt to recruit and retain employees. Mr. Hennessey advised that there will be fewer 'humans' in the schools and that it will be important to recruit highly qualified staff. Mrs. Perreault believes there is a sense of fairness in the new scale, noting that some long-term employees were making less than new hires. Mr. Malone requested clarity and Mr. Hennessey confirmed that the new salaries reflect an amount higher than what the administrators increases were set to be. In response to a query from Mr. Malone, it was noted that there were no signed contracts in place for FY23 (the year in which these increases became effective). Mr. Malone queried regarding Board approval of the new rates, noting that the Board has always in the past, approved salary increases, noting that when the Board felt a position was underpaid, they would implement a 2 year plan to raise the salary. Mr. Malone reiterated that the Board has always approved increases, and confirmed that no action was taken by the current Board (to vote in public to approve the increases) after discussion was held in Executive Session. Mr. Malone is concerned that past practices/protocols were not followed. Mr. Hennessey advised that the new salaries were

brought forward (to the Board) as a point of information regarding the decisions that had been made, not as a decision making process. Mr. Malone made a strong recommendation and urges the Superintendent to seek Board approval on future increases, noting there is a process and a statutory process that goes along with work of this nature. Mr. Hennessey advised that much thought went into the process of creating the metrics and the increases. Mr. Hennessey's understanding is that the Superintendent has the ultimate responsibility to work within the confines of the budget and he believes these increases were necessary. Mr. Malone reiterated his belief that implementing increases without the 'blessings' of the governing body is dangerous, and that discussion in Executive Session does not constitute Board approval. Mr. Malone queried regarding implementation of the new scale for non-contracted employees. Mr. Hennessey wants the metrics in place for these employees, to be something to build on in FY23. Mr. Hennessey advised that the number of vacant positions is forcing the District to rethink how it's staffing our school communities. Mrs. Lamb addressed the Committee and queried regarding whether the discussion of salaries meets the legal requirements for Executive Session, noting that the discussion did not involve any specified/named employees and wasn't part of contract negotiations (as the Superintendent had already implemented or advised employees they would receive the new rates). Mrs. Lamb believes the Board should have voted on whether to approve the new rates. Mr. Hennessey believes he's working within the confines of the Superintendent's role. Mrs. Lamb is concerned that these increases will have a significant impact for all years going forward. Mr. Hennessey advised regarding the Non-contracted Column Descriptions. Mr. Hennessey advised that finding day substitutes is very difficult and the District is moving towards hiring more permanent substitutes. In response to a query from Mr. Howard, Mr. Hennessey advised that Chittenden County (with a higher cost of living) was not used for salary comparison. Mrs. Poulin queried regarding why day substitutes (non-contracted hourly employees) are not listed on the document (with the presumption that the document is for documentation of rates/salaries for all employees). Mrs. Perreault advised that substitutes recently received an increase. Mrs. Poulin noted that the increase for substitutes was the first increase in four or five years. Mrs. Poulin confirmed Mr. Malone's statement that the protocol in the District is that the Board always approves administrator salaries, as well as the creation or elimination of all administrator positions. Mr. Malone reiterated that he believes statute requires Board approval and that it has always been the practice of the District to require Board approval. It was noted that the Board represents the public and that the increases need to be sustained in the future.

6. Old Business

6.1 ESSER Update

Documents titled 'ESSER I Investments', 'ESSER II Investments', 'ARP ESSER Investments', and 'ESSER Timeline' were distributed. Mrs. Perreault advised that nothing has changed with ESSER I or ESSER II. Some adjustments have been made to some of the lines in ESSER III. The District is 'earmarking' \$7,000,000 for the HVAC updates at Spaulding. Mr. Hennessey reminded the Committee that a walk-through at SHS is planned for 5:00 p.m. on Thursday (08/11/22) prior to the Board meeting. Mrs. Perreault advised that she is hopeful that the Board will approve the SHS HVAC projects at that meeting so that the District can move forward with the contract with EEI. If approval is received, the next step involves an approval application, which includes a review of the designs. Mrs. Perreault advised that the projects were thoroughly discussed at the Facilities Committee meeting, and projects will be presented to the Board (for approval) on Thursday. Mike Davey, EEI representative will be in attendance at the Board meeting. Mr. Malone requested clarification (a breakdown of staffing) on the \$1.9 million investment (ARP ESSER). Mrs. Perreault advised that there is a listing of positions. Mr. Malone requested additional information at a future date. Mrs. Perreault confirmed that all the projects listed on the ARP ESSER report, did qualify for ESSER funding. In response to a query from Mr. Malone, Mrs. Perreault advised that she does not believe SHS lighting upgrades are included in the ESSER funding (not COVID related). It was noted that the estimates are constantly being updated as more detail becomes available. Some positions have been shifted out of ESSER, resulting in savings, which allowed the HVAC/Sprinkler project funding to increase to \$7,000,000. Mrs. Perreault will email Committee Members information detailing how funds were shifted. Brief discussion was held regarding the After-school program, and possible work at the SEA Barn. Mr. Malone queried regarding HVAC projects at other buildings that might take priority over improvements at the SEA campus. Mr. Hennessey stressed that the success of the SEA Program is very important to the District and students in the community (as needs are increasing). Providing services at the SEA building is much more cost effective than alternative placements. A tour of the SEA campus will occur in October. There were 48 students at SEA last year. It is anticipated that there will be close to 60 students (the capacity), in the upcoming year. Given the savings gained by utilizing the SEA Program, Mr. Reil wants increasing SEA capacity to be the #1 priority. In response to a query from Mr. Malone, Mrs. Perreault advised that the District is on target (with some cushion), for not overspending the District's allocation of ESSER funds. Mrs. Perreault advised regarding the details of the 'Indirect' section on the ESSER ARP document, noting that some of the funding in the Indirect section will help offset the increases in the salary metrics. In response to a query from Mrs. Leclerc regarding the shifting of staff, Mrs. Perreault advised regarding the flexibility allowed under ESSER I (had few requirements), ESSER II (required use of the Recovery Plan, then had some flexibility), and ARP ESSER funds which require public input and expenses need to be tracked. It was noted that the previous formula in the document was incorrect and has been fixed. Mrs. Perreault confirmed that the ARP ESSER funds will all be allocated to SHS and that no projects are planned for BCEMS and BTMES. Mr. Reil advised that the Facilities Committee is on track with its requirements. In response to a query, Mrs. Perreault advised that the District did receive approval to use funding for design work for an addition to the SEA building.

6.2 Summer Project Update

A document titled 'BUUSD FY23 RFP Schedule, Facility Projects, etc... Spring/Summer 2022' (dated 08/09/22) was distributed.

Mrs. Perreault advised that the District is in year 2 of a two year contract with Lim Law, but it appears that the vendor may not be able to provide the wood chips. This District may need to go out to bid for woodchips. The District is in the process of reaching out to other Districts relative to fuel oil and propane.

6.3 FY22 Year-End Projections

A document titled 'BUUSD – FY22 Year End Projection Report' (dated 08/09/22) was distributed.

Mrs. Perreault noted that as expenses and revenue come in, the report is updated as appropriate. Entries will continue to be made until approximately mid-September. The SPED reimbursements are often not received until November. Due to a decrease in SPED spending, revenue will also be decreased. Act 173 does not impact FY22. Auditors will be in mid-September and again in October. It is anticipated that the draft audit will be presented in December. Mudgett, Jennett & Krogh-Wisner, PC is the auditing firm. There is an unaudited projected surplus of \$2,000,000 (budget to actual) \$2,579,000 (including \$600,000 from the tax stabilization fund). Mrs. Perreault answered questions from the Committee, including line items pertaining to; SPED reimbursement, transportation, the BTMES solar credit/rebate, equipment (a tractor), teacher and administrator resignations (SHS Assistant Principal and JROTC), other resignations (including the Curriculum Director in November 2021), and BCEMS roof repairs (deficit also includes custodian wages and propane). It was noted that there is significant savings due to unfilled positions. Mr. Hennessey advised that the District is in year three of a significant number of unfilled positions, and the District may shift to hiring more highly trained individuals, but noted that the District still has 5 unfilled special educator positions. Mr. Reil reiterated the need to deal with the surplus funds earlier rather than later. Mrs. Perreault advised that budget discussions will include Special Articles. Mr. Reil advised that the community needs to understand that much of the staff related savings should not be repeatable and that these positions need to be filled. Mr. Howard inquired regarding when student enrollment information would be available and advised that the PTO is requesting a count of BTMES teaching staff, as they would like to do something for teachers for the first day of school. Mr. Hennessey advised that student enrollment (end of June and start of school year) will be reported at the 08/25/22 Board meeting.

7. Other Business

None.

8. Items for Future Agendas

September:

- Additional Meetings During Budget Development
- Special Articles
- FY24 Budget Development
- Grant Fiscal Monitoring Review Update
- Tax Rate Calculations
- Salary Breakage Report (Budget to Actual)

October:

- CVCC Departure Impact

9. Next Meeting Date

The next meeting is Thursday, September 15, 2022 at 6:00 p.m., at the Spaulding High School Library and via video conference.

10. Adjournment

On a motion by Mr. Reil, seconded by Mr. Malone, the Committee unanimously agreed to adjourn at 8:13 p.m.

Respectfully submitted,

Andrea Poulin