

**BARRE UNIFIED UNION SCHOOL DISTRICT
FINANCE COMMITTEE MEETING**
Spaulding High School Library and Via Video Conference – Google Meet
September 15, 2022 - 6:00 p.m.

MINUTES

COMMITTEE MEMBERS PRESENT:

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

COMMITTEE MEMBERS ABSENT:

John Lyons, Jr. (BC Community Member)
Vacant - BT Community Member Position

OTHER BOARD MEMBERS PRESENT:

ADMINISTRATORS PRESENT:

Chris Hennessey, Superintendent
Luke Aither, SHS Co-Principal
Marlon Maylor, SHS Co-Principal
Lisa Perreault, Business Manager

PUBLIC MEMBERS PRESENT:

Josh Howard

1. Call to Order

The Chair, Mrs. Leclerc, called the Thursday, September 15, 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

Add 5.7 EEI Lighting Proposal

On a motion by Mr. Malone, seconded by Mrs. Pregent, the Committee unanimously voted to approve the Agenda as amended.

3. Public Comment

None.

4. Approval of Minutes

4.1 Meeting Minutes From August 9, 2022

On a motion by Mr. Reil, seconded by Mr. Malone, the Committee unanimously voted to approve the Minutes of the August 9, 2022 BUUSD Finance Committee meeting.

5. New Business

5.1 FY24 Budget Development

A document titled BUUSD FY24 Budget Development Schedule – REVISED 09/02/22, was distributed.

Mrs. Perreault advised regarding revisions to the schedule, including; addition of the Board's presentation to Barre City Council and the Barre Town Select Board, changes to the date for Board in-put (values and goals), the possible addition of a Board Listening Session at the 12/08/22 Board meeting, and changing the November Finance Committee meeting. Discussion was held regarding the possibility of changing the November meeting. Additional updates include; changing the January 2023 meeting to 01/05/23 so that the Committee can prepare for the Board meeting (01/12/23) where the Budget and Warnings will be presented to the Board for approval. Discussion was held regarding how updated budget information is shared with the Committee, including the presentation of documents outlining Budget Considerations and Budget Highlights (which are also shared with the full Board). In response to a query, Mr. Hennessey advised that the format for the Annual Report will be the same as in previous years and that there is also an additional budget flier that contains more detailed information. It was noted that Mr. Reil had requested that the Annual Report be revised to be similar to one from another district. This may be explored when the documents are ready to be developed.

The Communications Director creates the documents in coordination with the Superintendent and Business Manager and the documents are reviewed by the Committee and the Board for final approval. The Annual Report is mailed to all households; the flier is available upon request. Both documents are available on the District's website. It was noted that some Board input (values, priorities, and goals) was received at the previous Board meeting, but it is anticipated that additional input will be presented at the next Board meeting. Mrs. Leclerc advised that she would like the overall budget to be as level-funded as possible, and she would like everyone to be looking for areas for savings. Mr. Reil would like to receive input from administrators regarding their values, goals, and priorities. Mrs. Pregent queried regarding whether or not the Business Manager would like to receive an increase percentage cap from the Board.

5.2 Additional Meetings During Budget Development

A document titled 'Draft Meeting Schedule' was distributed. This document will also be utilized under Agenda Item 5.3.

The Committee agreed to hold an additional meeting on 11/02/22 to prepare to present the Draft Budget to the Board.

Additional meetings in December will be discussed at a future meeting.

5.3 Special Articles

A document titled 'Draft Meeting Schedule' was distributed under Agenda Item 5.2.

The audited surplus amount will most likely be presented in December. A draft Audit should be available in November. It was noted that some of the Tax Stabilization Reserve fund has been earmarked for use in FY23. Monies are not moved from the Tax Stabilization Reserve Fund unless necessary. Mrs. Perreault advised regarding the current balances in the Capital Improvement and Tax Stabilization Funds. Special Articles usually involve moving funds to one of two accounts; Capital Improvement Fund or Tax Stabilization Fund. Funds could also be left in the General Fund for emergency use. Mrs. Perreault believes the Board would like a recommendation from the Finance Committee regarding how to use/move surplus funds. Mr. Aither advised that there has been some input regarding specific uses for some of the surplus funds.

5.4 Tax Rate Calculations

A document titled 'Tax Rate Calculation 101' – dated 09/15/22 was distributed.

A document titled BUUSD Budget 2022 – 2023 Voter Approved 05/24/22 – Comparative Tax Rate Calculations – Using \$700,000 Toward Revenue' was distributed.

Mrs. Perreault provided an overview of how tax rates are calculated, advising that the first few pages of the documentation identify the various components, and the remainder provides more detailed information. It was noted that it is important to be able to explain the calculations in laymen's terms, so that tax payers can have a better understanding. Mrs. Perreault advised that the ballot language must be presented as defined in statute. It was noted that Special Education funding has changed, and the calculations for equalized pupil counts will be changing for FY25. Mrs. Perreault advised regarding how the State calculates the Equalized Pupil count, and the Per Pupil Spending amount that must be contained on the ballot. The Equalized Pupil Count should be received from the State on December 1st, but is often not provided until later. Some of the additional factors include the Property Yield (supplied by the Tax Commissioner), and the CLA (common level of appraisal- determined by the State Tax Department). The Tax Rate Calculation has many components that are not within control of the District. Mrs. Pregent advised that last year, the District's web site had a calculation feature that allowed tax payers to type in the value of their property and receive a ballpark projection of what their taxes would be. It was stressed that many factors are not within the District's control and it must be made clear that the District is making estimates and that those estimates do not include the Barre City and Barre Town budgets.

5.5 Salary Breakage Report (Budget to Actual)

A document titled 'BUUSD Expense Report' (dated 09/08/22) was distributed.

Mrs. Perreault advised that this document is a work in progress, and changes have occurred since last week. There has been a lot of transition and shifting of employees. Mrs. Perreault advised that she will most likely have a better sense of breakage once positions have been more finalized. A more finalized report may be available in November.

5.6 Warrant Procedures Review

A document titled Warrant Procedures (dated 08/17/22) was distributed.

Mrs. Perreault provided a brief overview of the process, including various checks and balances and advised of the purchasing procedure. Mrs. Leclerc voiced concern that when she is reviewing warrants, she cannot always 'connect the dots', and provided an example. Mrs. Leclerc queried regarding invoices being paid when she has pulled an invoice for review and advised that she does not believe the Board performed the annual vote to authorize the Business Manager or Superintendent to sign payroll warrants. It was noted that Policy F20 is very old and needs to be revised. It was noted that all of the Finance Procedures are available on the Finance section of the District's web site. Mr. Malone voiced concern that there are some flaws in transitioning laws into procedures and he believes some of the procedures are not in compliance with the law. Mr. Malone provided some examples of what he believes are conflicts between policies/procedures and law and advised regarding numerous other concerns he has relating to the approval process. Mrs. Leclerc suggested that the procedure be changed such that all warrants go to the Board five days prior to a Board meeting and that the Board as a whole approve the warrants at the next meeting. Mrs. Leclerc also suggested that the policies and procedures be reviewed. It was noted that the auditors have not identified any material weaknesses or deficiencies in internal controls. Concern was

raised that the Committee is cognizant that current Warrant procedures may not be aligned with statute. Mr. Malone advised that the it is the Board's responsibility to read and understand procedures, and see that they are being followed.

5.7 EEI Lighting Proposal

Mr. Reil advised regarding discussion of the proposal at the Facilities/Transportation Committee meeting. The proposal relates to replacing florescent lighting with LED lighting (dimmable and with motion sensors) at SHS. This project seems to be a 'break-even' project, as electricity savings off-set the cost of the project. Starting in 2025, florescent lighting can no longer be purchased in Vermont. There is also a set timeframe for which Efficiency Vermont will offer rebates. Mrs. Perreault advised that the Board can enter into lease agreements without voter approval. Discussion was held regarding the various financing options (10 year lease, 15 year lease, etc). Mr. Reil advised regarding two additional options; keep existing fixtures and replace the bulbs or install magnetic stick on strips. This option is approximately 20% to 25% less expensive. The Facilities Committee wants the Finance Committee to weigh in on this project. Mrs. Perreault advised that she has not yet performed research on this matter. Mr. Aither cautioned that in order to receive the Efficiency Vermont incentives/rebates, the Board needs to approve the project in October. Mr. Reil advised that he queried regarding whether or not this project would affect the CVCCSD lease. Mr. Reil advised that the Facilities Committee has recommended that the Board review this project and wanted the Finance Committee involved as well.

6. Old Business

6.1 Grant Fiscal Monitoring Review Update

A document titled 'AOE FY22 Fiscal Monitoring Report and Corrective Action – BUUSD – Corrective Action Plan Submitted to AOE on August 26, 2022' was distributed.

A document titled 'BUUSD – Findings #2022-002-D – Grant Procedures Manual 2022 – 2023' was distributed.

Mrs. Perreault advised that this was a 'desk' audit, with the District providing information as it was requested. There was much transition (loss of Curriculum Director etc.) during the timeframe that was audited. The Board was made aware of this audit.

Mrs. Perreault responded to queries, advised that her responses to Findings are found in the 'Corrective Action' section for each finding, and provided clarification/additional information regarding her responses to the AOE. Brief discussion was held regarding the benefit to hiring a full time 'Grant' position.

6.2 Salary Metric

Mr. Hennessey advised that the most recent Assistant Principal metric was not the correct metric (a draft dated 08/16 was mistakenly provided). Mr. Hennessey advised that the Board should have received a response from District Counsel regarding setting and approving salaries. In response to a query, Mr. Hennessey advised that the new salary metric was implemented for FY23 and that it has not been approved (voted on) by the Board. Mr. Malone suggested that Board approval ("after-action") be made and put on record. In response to a query, it was confirmed that in the past, contract renewals were approved by the Board and it was noted that no one individual Board Member has authority to act singularly, thus all contracts require Board approval.

7. Other Business

Mrs. Leclerc referred to a chart containing past fuel usage/costs and advised that she would like to update the chart once figures have been finalized by the Business Manager. It was noted that the Board has already authorized the Business Manager to enter into FY23 fuel contracts when she deems appropriate.

8. Items for Future Agendas

- FY24 Budget Development (October)
- Audit Update (November)

Brief discussion held regarding Parking Lot items;

- ARP ESSER Conceptual Applications – Remove from Parking Lot – These have already been approved by AOE. After EEI completes the design phase, the District will be seeking Project Approval from the AOE.
- CVCC Departure Impact – Leave in Parking Lot . It is too premature to discuss this matter
- Add – Policy F20 and Associated Procedures– Should be discussed at Policy Committee once VSBA has completed its review/updates.

9. Next Meeting Date

The next meeting is Thursday, October 20, 2022 at 6:00 p.m., at the Spaulding High School Library and via video conference.

An additional Committee Meeting will be held on Wednesday, November 2, 2022

A Regular meeting will be held Thursday, November 17, 2022.

A Regular meeting will be held on Thursday, December 15, 2022.

10. Adjournment

On a motion by Mr. Malone, seconded by Mr. Reil, the Committee unanimously agreed to adjourn at 8:47 p.m.

Respectfully submitted,
Andrea Poulin