

**BARRE UNIFIED UNION SCHOOL DISTRICT
FINANCE COMMITTEE MEETING**
BUUSD Central Office and Via Video Conference – Google Meet
January 3, 2023 - 6:00 p.m.

MINUTES

COMMITTEE MEMBERS PRESENT:

Nancy Leclerc (BT) - Chair
Terry Reil (BT) – Vice Chair
John Lyons, Jr.
Paul Malone (BC)

COMMITTEE MEMBERS ABSENT:

Michelle Hebert
Sarah Pregent (BC)

OTHER BOARD MEMBERS PRESENT:

Alice Farrell
Chris Parker
Sonya Spaulding

ADMINISTRATORS PRESENT:

Chris Hennessey, Superintendent
Lisa Perreault, Business Manager

PUBLIC MEMBERS PRESENT:

David Delcore – Times Argus Sarah Helman Josh Howard Sue Paxman Jan Trepanier

1. Call to Order

The Chair, Mrs. Leclerc, called the Tuesday, January 3, 2023 BUUSD Finance Committee meeting to order at 6:01 p.m., which was held at the BUUSD Central Office and via video conference.

2. Additions and/or Deletions to the Agenda

On a motion by Mr. Malone, seconded by Mr. Reil, the Committee unanimously voted to remove Agenda Item 5.1 and hold discussion at the January 19, 2023 Finance Committee meeting.

On a motion by Mr. Reil, seconded by Mr. Lyons, the Committee unanimously voted to approve the agenda as amended.

3. Public Comment

Mr. Howard and Mr. Delcore advised that the Google Meet link is not working.

4. Approval of Minutes

4.1 Meeting Minutes From December 15, 2022

On a motion by Mr. Reil, seconded by Mr. Malone, the Committee unanimously voted to approve the Minutes of the December 15, 2023 BUUSD Finance Committee meeting.

5. New Business

~~5.1 FY23 Year-end Projections~~

A document titled BUUSD – FY23 Expense/Revenue Year-end Projection Summary Report – Updated 12/19/22, was distributed. No discussion.

6. Old Business

6.1 FY24 Budget Development

A copy of the BUUSD Budget 2023-24 – Proposed & Estimated Comparative Tax Rate Calculations (using \$700,000 toward revenue), dated 12/26/22 was distributed.

Mrs. Leclerc explained that she believes this meeting is necessary because the Board has not been able to reach a consensus and she believes the Finance Committee should provide a directive regarding budget increase parameters. Mrs. Leclerc would like to discuss a number of items and come to an acceptable budget threshold. Items for discussion should include; inflation, teacher contracts, ESSER

Funding (ending in 2024), health care costs, the newly announced CLA, the uncertainty of the \$64,000,000 Special Ed off-set for property taxes, and declining enrollment. Mrs. Leclerc noted that the current budget reflects an approximate increase of \$10,000,000 over two years. Mrs. Leclerc stressed that the Committee is not trying to be negative regarding the budget, but rather is asking questions in an effort to create a budget that is fair to the District, various stakeholders, and students. Mrs. Leclerc stressed that the budget needs to be acceptable to tax payers, this year and in future years. Lengthy discussion was held, including; the need to provide firm and clear guidance much earlier in the budget process, the importance of reviewing actuals from FY23, that the FY22 surplus will most likely be as large as in the past few years, a belief that many increases were added to past budgets that cover inflation for last year and this year, the importance of being cognizant of expiring ESSER funds (causing a massive gap), recognition that CLA numbers will most likely continue to drop in future years, AOE guidance of the \$64,000,000 the State will pump into the education system (but caution that the amount is not set in stone), concern that all the factors involved could cause a spike in future budget amounts, education taxes, and tax rates, a suggestion that the FY24 budget be built to soften the impact of future budgets, a recommendation that the FY24 budget follow the current spending trends with an increase of 1.5% (\$708,814, for an expenditure budget of \$ 47,963,133), concern that the economy is not in good shape and community members are struggling, distribution of Mr. Malone's line by line analysis of larger line items (which identifies at least \$100,000 that he believes does not need to be added to the budget), recognition that 74% of the budget is salary and benefits, concern regarding increasing staff counts while student counts are dropping, concern regarding the drastic drop in the CLA that occurred in less than 1 ½ years (causing huge increases in the tax rate), concern regarding the impact of teacher negotiations (which may result in draconian cuts to staffing), a reiteration that in spite of numerous requests, the Board did not reach a consensus and provide direction to administrators, concern that these are serious and challenging times which are not likely to change in the near future, recognition that the District has a serious responsibility to all stakeholders, recognition that input from Mr. Reil and Mr. Malone is thoughtful and substantive, and addresses what needs to be achieved, the need to take a close look at all aspects and create a budget that works, a query regarding how budget expenditure assumptions can be made when three years' worth of reports indicate nothing was spent for those line items, a query regarding the impact of the change to the CLA (when the CLA decreases, the tax rate increases), information regarding an approximate \$2,000 increase in the Yield (which is beneficial and could off-set the tax rate change if the budget is level funded), the decrease in the equalized pupil count (102), which will have a negative impact on the budget, a query regarding the projected per pupil spending amount (approximately \$18,348, state average is approximately \$21,000), and a query regarding how much needs to be cut to achieve a 1.5% increase (\$2,500,000). Mr. Hennessey advised that the administrative team will be meeting to review the budget, and advised that initial reductions totaled approximately \$900,000, and administrators are continuing to look for additional reductions. Mr. Hennessey advised that the schools are currently working on 'bare bones', are also frustrated with unfilled positions, and are looking at creative ways to fill vacancies. Mr. Hennessey believes it will be very difficult to find the requested reductions, he believes some community members are concerned regarding drastic reductions, and queried regarding any suggestions from the Committee regarding where reductions should be made. Mr. Malone reiterated that though repeated requests have been put to the full Board, the Board has not provided a consensus regarding budget direction. It was clarified that the motion being put forth is a recommendation from the Committee, but the full Board needs to vote on how to proceed with budget development. Mr. Malone queried regarding the number of staff that have been added to the District (over three years), noting that the Central Office and SEA have added numerous staff, while staff are being cut at the elementary level. Mr. Malone reiterated a trend of underspending (over several years) on specific line items. It was noted that some underspent line items are the result of open positions, but the positions need to be filled. Mr. Malone voiced concern over his belief that the District is focusing more on social/emotional learning and less on academics. Mr. Reil noted that the draft budget does include numerous unfilled positions. Mr. Howard queried regarding whether or not test scores are improving. Mrs. Poulin voiced concern regarding marketing SHS to sending districts, noting that the Washington/Orange District spent (in FY22) approximately \$1,600,000 for high school tuition and the BUUSD only received approximately \$200,000 for tuition. Mrs. Poulin does not have information from the Chelsea district, but advised that that district also spends much on high school tuition. It was noted that over the years, including at Communications Committee meetings, it was recognized that the District needs to improve promotion of SHS. Mrs. Poulin queried regarding what has been done to improve marketing strategies and requested that the District spend some time and really focus on recruiting out of district students from sending districts. The acceptance of tuition paying students does not require adding to staff, and increasing the number of tuition paying students (from sending districts) can provide a large increase in revenue. Mr. Hennessey advised regarding the weekly showcases, some of which focus on the high school and he believes other superintendents are aware of these videos. In response to a request from Mrs. Leclerc, Mr. Hennessey agreed to put promotion of SHS to out of district students on a future agenda. Mrs. Poulin stressed that it will take much time and effort to recruit students back to SHS and that it will involve spending time in those schools and a strong presence at high school 'fairs'. Ms. Helman advised regarding some of her previous work experience, noting that it will be important to promote and outline what is special about SHS (music programs, clubs, sports, etc.). Mrs. Leclerc reiterated that a 1.5% increase may not seem like much, but given the current economic climate, and past surpluses, she believes that threshold is reasonable. Mrs. Perreault requested a copy of the document shared by Mr. Malone at the meeting. Mrs. Perreault is very concerned about reducing Budget Draft 2 by \$2,500,000 and is cautioned that the District may end up deficit spending. Mr. Hennessey advised that he and administrators will create Draft 3 and have it included in the Board Agenda packet. Brief discussion was held regarding the time sensitivity of the budget and Warnings. In response to a query from Mrs. Leclerc, Mr. Hennessey advised he will let the Committee know if the requested budget reduction proposals cannot be completed.

On a motion by Mr. Reil, seconded by Mr. Lyons, the Committee unanimously voted to make a recommendation to the Board that the Board approve a 1.5% increase totaling \$708,814, for an expenditure budget of \$ 47,963,133, and to approve Special Articles to transfer audited fund balances as of 06/30/2022 to the following; \$500,000 to the Tax Stabilization Fund, and \$1,057,960 to the Capital Reserve Fund.

7. Other Business

Mr. Malone advised that the Finance Committee has held 8 meetings since August (for budget development) and suggested that budget development be a year-round undertaking (to avoid additional end of year meetings and rushing to meet the deadline). Mrs. Leclerc believes the Committee/Board, should have been further ahead on the budget process. Mrs. Leclerc thanked Mr. Hennessey for his work on the budget, noting that she recognizes this is a difficult task.

Mr. Reil noted that SHS Winter Sports is amazing, noting the great success of all teams across the Board. It was noted that the SHS Girls' Hockey team is undefeated.

8. Items for Future Agendas

01/19/23:

- FY24 Budget
- FY23 Year-end Projections
- 5-Year Capital Improvement Plan Update

February Meeting:

- Warrant Process

Add to Parking Lot:

- Budget Cycle Reflection (Added by Terry Reil – January 2023)
- Marketing of SHS to Out of District Students (Sending Districts) (Added by the Committee – January 2023)

9. Next Meeting Date

The next meeting is Thursday, January 19, 2023 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. Lyons, the Committee unanimously agreed to adjourn at 7:07 p.m.

Respectfully submitted,

Andrea Poulin