

Finance and Capital Committee Meeting
Minutes of Meeting
January 9, 2023

Committee Members Present: Mark Stebbins, Mark Nielsen, Katie Orost, Patty Hayford, Bart Bezio, Angela Lamell, Lisa Barry

Administration Present: Deb Clark, Dylan Laflam, Brian Pena, Rene Thibault

Minute Taker: Sue Trainor

Call to Order, Approval of Agenda and Public Comment: Stebbins called the meeting to order at 5:32 p.m. Orost made a motion, seconded by Bezio, to approve the agenda. The motion passed unanimously. There was no public comment.

Consent Agenda Items - Minutes of December 19, 2022, meeting: Orost made a motion, seconded by Lamell, to approve the December 19, 2022 minutes. The motion passed unanimously.

FY24 Budget Update: Clark reported to the Committee that since the meeting of December 19th they had found some places to reduce the budget. Clark stated she was providing a Proposal A and a Proposal B for the Committee to review. The only difference was that Proposal B applied 100% of the surplus.

Clark stated the bigger news was that there was a reduction of \$118,000 from the preliminary budget. Those changes involved a jockeying of resources. The cuts were not a detriment to the operations of the SU. There would be no direct impact on student services. The Committee determined they would like additional information on the cuts. Due to the sensitivity of the information which could put the District at a disadvantage, Orost made a motion, seconded by Bezio, to go into Executive Session at 5:36 p.m. The Committee and Clark were invited to remain. The Committee came out of Executive Session at 5:44 p.m.

Clark reported that it appeared in the proposed budget that the elementary schools had no salary increases. This was a result of Johnson and Eden underspending their salaries and wages.

Clark was concerned about the common levels of appraisal (CLA). Lamoille North was hit very hard, with Belvidere and Waterville being the most affected. Clark would be reaching out to the clerks of the towns to see if the CLA would be contested. Market values had soared and taxes were based on market value. Clark recommended placing all of the SU reserves into the SU budget.

Clark explained they were coming out of paying off the Qualifying Zone Academic Loan (QZAL) taken by the high school (LUHS#18) for the construction at GMTCC. That was a sum of money that sat in an investment account and earned interest. The loan was then paid off. This was an interest free loan. That was why there was an \$800,000 surplus in the secondary school capital fund reserve. Clark noted it was good to know this money was there for any maintenance or mandated needs.

Bezio asked if there was any deferred maintenance that worried Laflam. Laflam stated they kept up with maintenance. It was the emergencies that worried him. He noted there had been a clogged oil filter in the boiler at Johnson over the weekend. They had spent the weekend keeping the building from freezing before they had determined the problem.

Orost asked for confirmation that they would be applying all of the reserves at both levels. Clark stated that was what she was recommending. Proposal B for FY24 for Central Office would put the entire \$810,522 into the budget to reduce costs to the taxpayer.

Orost made a motion that the Committee recommend to the full Board that Proposal B of the LNSU budget be approved. Nielsen seconded the motion. The motion passed unanimously.

Clark then moved on to discuss the MUUSD budget, stating the total reductions that were made without the adjustment for assessments was \$305,443 between the Proposal A assessment changes and expenditures. There was \$178,346 in additional expenses since the preliminary budget. Those were secondary level expenses. The elementary school was already under the 8.5%. When you included Proposal B you could see the percentage go down. With Proposal B, there would be an education spending change of 5.13% at the elementary level and 10.88% at the secondary with a cumulative of 8.37%. Part of the increase was driven by the anomaly of the paraeducators going to the SU and becoming part of the assessment and then being sent back to the schools on a per pupil basis. This would even out next year.

Orost made a motion that the Committee recommend to the full Board that Proposal B of the MUUSD budget be approved. Nielsen seconded the motion. The motion passed unanimously.

Stebbins asked what Clark would do if the Board did not approve the budget. Clark stated she would ask what the Board's target was. Stebbins asked if further cuts would affect programs. Clark said it would, especially at the elementary schools. Clark stated this was a difficult year. Things had been lined up to see savings and then the common level appraisal hit hard. This budget was in line with what the state has been saying would be the increase in costs. The motion then passed unanimously.

Clark stated the Annual Meeting would be February 20th. The Budget Informational Meeting would be February 27th.

Other Business: Orost asked about the engineering of the new building. Laflam stated they were behind schedule. The site survey had been delayed by a snowstorm and they had to postpone the survey for three weeks. Concept drawings could be done once the survey was done.

Adjourn: Bezio made a motion to adjourn the meeting at 6:12 p.m.