

**LNSU/LNMUUSD Finance and Capital Committee Meeting**  
**November 13, 2023**  
**Minutes of Meeting**

**In Attendance:** Mark Stebbins, Katie Orost, Deb Clark, Bart Bezio, Dylan Laflam, Angela Lamell, Sue Prescott, Lisa Barry, David Manning, Patty Hayford, Betzi Goodman

**Minute Taker:** Sue Trainor

**Call to Order, Approval of Agenda and Public Comment:** Stebbins called the meeting to order at 5:30 p.m. Orost made a motion, seconded by Bezio, to approve the agenda. The motion passed unanimously.

**Consent Agenda Items; Minutes of October 16, 2023 Meeting:** This item was not discussed.

**FY25 Budget Review with Principals – Eden Central School and Johnson Elementary School:** Clark informed the Committee that Act 127 changed the way pupils were counted when it came to per pupil spending. It was no longer based on equalized pupils across the state. It was now based on long-term average daily membership. Along with that change, there was a change in the way the State and District accounted for poverty and need. All children on Medicaid who were receiving Dr. Dynasaur were included, expanding the need-based group. The District had a lot of long-term average daily membership numbers in FY25 as compared to FY24.

Clark stated that the State had done the math for the District. They reviewed the spending for long-term ADM for FY24, compared to FY25. As long as the District kept the budget under 10% per student count, the District was eligible for a 5% hold harmless cap on the tax rate. This meant that the tax rate could not go up more than 5%.

The Committee reviewed a document prepared by Brad James that provided details on what this would mean. Clark noted several times that she had doublechecked with James to ensure the figures were correct because the numbers were shocking.

Reviewing expenses minus revenue, it showed that the modified elementary schools could increase their education spending by 17% before they were at risk. The modified secondary school could increase their education spending by 18.5%. Cambridge could increase their education spending by 32%.

In December, the yield would drop but that wouldn't matter to the District because they would be held at a 5% increase. As long as the District stayed under 10% education spending per student count, the tax rate would be held at 5%. This would continue until FY29. The most exposure financially the District would see would be going from FY24 to FY25. More information would be available after the December 1<sup>st</sup> letter.

Clark then discussed the high-level increases at Johnson Elementary School and Eden Central School. Johnson's salaries were increasing 5.64%. Benefits were dropping because of less usage. It appeared that more people were purchasing single coverage. Purchased services were dropping and Facilities costs were increasing about 7%. IT costs were increasing 5.71%, and the All Other line item was increasing about 17% increase. Special education costs were increasing 29%. In response to a question about health insurance, Manning noted the school was hiring new people in the workforce so more single coverage was being purchased or buyout options.

Prescott asked if there were any major facility issues at Johnson that weren't in the budget. Laflam stated that the cost for air conditioning for the 4<sup>th</sup> floor was in the budget along with a 10% match to update the woodchip boiler. Deferred maintenance items not included in the budget was a connecting roof between the 1800 section and the new section. It had been patched several times.

That had a \$125,000 price tag. There was discussion of replacing the scoreboard and that was not included in the budget. There were no funds set aside for cameras at the school. The third floor AC was also deferred and not in the budget. Laflam anticipated that the roof could hold for approximately three to four years. There was a discussion about using grant money to purchase cameras. Then the usefulness of the cameras was discussed. There were cameras in the lock access controls and the school could see and speak to anyone who wanted to enter the school. Laflam noted that purchasing more cameras was not preventative. It mainly helped to solve the problem afterwards.

Manning informed the Committee that for a long time the school had been able to use an art teacher through the Vermont Studio Center. Now that art teacher position would be filled by a full-time employee. This would be the only new position at the school. There were some additions to paras but that was reflected in the special education budget through the SU. Manning noted that increased funds at Johnson were being budgeted for tuition reimbursement. Teachers were taking more classes.

There was discussion and clarification about what was included in the budget lines 'All Other' and 'Purchased Services'.

Moving on to the Eden Central School, Clark noted that there would be small increases in salaries, with teacher salaries going up 8%. Benefit costs were going down. Purchased services were increasing significantly. Facilities costs were level. IT costs were increasing by \$4,500. Clark then explained that the purchased services increase was the cost of the paraeducators being billed back to the school. Clark explained that if the paraeducators performed work that was not specifically special education, such as working in a general classroom or other support staff work, that amount was billed back to the school by the SU.

Transportation costs were listed in the 'All Other' line item. The income was going down. Clark estimated that 46% of the FY23 transportation expenses would be returned. There were no bus purchases planned. Clark noted the District was doing more leasing of buses for Eden and Cambridge. This made budgeting more manageable and every three years the District had a new bus. The rates were comparable. The contract with Lamoille Valley Transportation continued to FY26. Clark would find out in December what the allowable increase to contracts was. Currently it was built in at 3.5%.

Clark explained that the main driver of the 44% increase of the non-general education expenses overall was the loss of the prior year's surplus. Going from FY23 to FY24 there had been \$810,000 to apply. There was now a total of \$537,000 available and Clark applied \$400,000 to this proposed budget.

Clark asked the Committee to consider the question of if the increased growth numbers were accurate, should the District push that 9% limit knowing that this was the year it would be most needed. The student numbers wouldn't shift from FY25 to FY26. Therefore, the Committee might want to think about increasing education spending. This only applied to the elementary schools, as the high school and middle school were already over the 9%. The decision didn't need to be made at this meeting but should be considered.

**Other Business:** There was no additional business.

**Adjourn:** The Committee meeting adjourned at 6:26 p.m.