

**LNSU/LNMUUSD Finance and Capital Committee Meeting**  
**January 8, 2024**  
**Minutes of Meeting**

**In Attendance:** Mark Stebbins, Katie Orost, Deb Clark, Bart Bezio, Angela Lamell, Sue Prescott, Lisa Barry, Patty Hayford, Mark Nielsen

**Minute Taker:** Sue Trainor

**Call to Order, Approval of Agenda and Public Comment:** Stebbins called the meeting to order at 5:30 p.m. Bezio made a motion, seconded by Nielsen, to approve the agenda. The motion passed unanimously. There was no public in attendance.

**Discuss FY25 Budget Development:** Clark began by stating that the budget hadn't changed at the LNSU since the last Committee meeting. The general education assessment was going up 62%. A lot of that was driven by the prior year surplus going down. Revenues were going up by 19%. The special education assessment was up 35%, with expenses up 13% and revenues down 6%.

Clark reiterated the important parts of Act 127. These were: a limit on per LT ADM spending of 10%, a protection or hold harmless of 5%, and a tax review board. If spending was held below 10%, the district automatically qualified for five years of a 5% cap or hold harmless on the district tax rate as long as the District was able to stay below that 10% year after year for five years. Going above that would require a review by the tax review board which was made up of three business managers, three Superintendents and at least two AOE personnel.

Clark provided the Committee with a printed version of the LNMUUSD budget, broken down by expenses and by department. Since the last meeting, Clark had removed \$245,000 from the high school and middle school budget. \$70,000 of that amount was a double booking of transportation costs. \$50,000 was removed from the VocTech tuition which Clark thought was overinflated. \$60,000 was removed from the bleacher repair project, \$40,000 from the kitchen floor repair, and \$50,000 for the Diversity, Equity and Inclusion position was already booked at the LNSU so that was removed.

The elementary budget saw a reduction of \$275,000. \$55,000 was removed from Waterville, \$30,000 was removed at Eden and \$190,000 was removed from Hyde Park. \$10,000 had been put in the budget originally for a playground fence at Belvidere to continue to provide some public space, but this was taken out because only nine children were there part-time. \$45,000 was removed from the billback from the SU. Eden also had \$30,000 of billback removed. One Hyde Park ESSER-funded employee would be taking a leave of absence. There was also another \$70,000 in teacher salaries that were slightly overinflated and had been removed. That allowed the budget to be under 10%.

Clark explained that the District's data manager had been looking at the LT ADM numbers that the state was using. She found 41 students that the State had lost in their calculations and 14 students that the District needed to correct. This meant that ten students were added back to the MUUSD elementary numbers and eighteen students at the MUUSD secondary. Therefore, without adding back any expenses, the elementary spending per LT ADM increase dropped to 8.92%. The secondary spending increase per LT ADM dropped to 7.94%, well under 10%.

Based on that, Clark recommended replacing \$50,000 of the elementary cuts and \$200,000 of the capital projects at the middle/high school. Putting these budget amounts back in the budget, the natural tax rate was still under a 6% increase. This meant a .84% hold harmless benefit that the District would be receiving.

Clark reported she would not be including town tax rate calculations. She felt it wasn't reasonable to think a district could budget based on property values, especially over the last few years of volatility. The Board needed to budget responsibly based on the needs of the District and the information they had. A 5% increase was phenomenal.

Stebbins stated this new State structure was incentivizing the Board to spend more than they needed to this year. The District may have projects that next year they wouldn't be able to afford. Clark stated the Committee and Board needed to be careful and reasonable. This was a one-year investment. It was definitely an opportunity to do these \$50,000-\$60,000 projects that had been languishing.

In response to a question from Prescott, Clark stated the student numbers issued by the State were now frozen.

Clark explained again that if the Committee added back the \$50,000 in the elementary budget, the resulting spending increase would be 9.27%. Adding \$200,000 at the secondary level would bring the spending increase to 9.08%. Prescott stated she was uncomfortable getting up to that number and would prefer an 8.5% increase.

Funds for leasing a new Central Office building were not included in the budget as that would not take place in FY25. It would take at least 18 months to retrofit a building.

Clark reported there was a surplus of \$129,000 at the LNSU that was not applied. There was \$141,000 in reserves available at the LNSU for any move and it would be nice to build that up. It was only the secondary that had room to move. Stebbins was concerned that if the State later came up with different numbers the budget would go over 10% and the District would be responsible for finding extra funds. Clark stated she thought the District would be able to argue to the tax review board that the budget had been developed in good faith with numbers provided by the State.

Bezio asked what Clark had in mind for the \$50,000 she proposed to add to the elementary budget. Clark stated that Hyde Park had taken a big budget hit and she would probably add that back into their budget.

Prescott thought adding the CLA information was important. Lamell stated she thought it was important to take advantage of adding the funds to the secondary level. Stebbins and Lamell thought the funds should be used for a one-time project rather than a recurring cost. Stebbins thought it best to bring the budget increase to just under 9%.

Lamell made a motion to adjourn the meeting at 5:57 p.m.