

Grand Isle Supervisory Union
South Hero School District
School Board Regular Meeting
Thursday, March 21, 2019 at 6:00 p.m.
Location: Folsom Education & Community Center

Agenda

Call to Order

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| 1. Call to Order (M. Henderson) | 6:00 p.m. |
| 2. Citizens and/or Staff to be Heard | 6:01 p.m. |
| 3. Consent Agenda (Action) | 6:05 p.m. |
| a. Approve the Minutes from 3/7/2019 | |
| b. Approve contracts | |
| 4. Reports | 6:10 p.m. |
| a. Principals' | |

Board Business.

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| 5. Continuous Improvement Plan Presentation(Action) (S. McKelvie) | 6:20 p.m. |
| 6. Approve bills for payment (Action)(M.Henderson) | 6:45 p.m. |
| 7. Language of the reserve fund from attorneys(Discussion)(M. Henderson) | 6:50 p.m. |
| 8. Other | |

Closure

- | | |
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| 9. Setting the next agenda (M. Henderson) (Discussion) | 6:55 p.m. |
| 10. Adjourn | 7:00 p.m. |

Note: Executive Session: If discussion warrants, and the Board so votes, some items may be discussed in Executive Session pursuant to VSA 1 §313(a)

Discussion Items - Issues the Board needs to discuss and deliberate, but upon which no action is taken at this meeting.

Action Items - Issues that require the Board to make a decision by vote, may have been discussed over several meetings prior to this point.

Consent Items - Routine matters that need no discussion by the Board, but require Board approval. They are grouped together as a single agenda item. Background materials are provided in the Board packet to be reviewed ahead of the meeting. If there are no concerns, they are approved with a single vote. Any member can request the Board remove an item to be discussed and voted on separately. This frees up time at meetings.

Information Items [Incidental Information] - Matters the Board needs to know about, but for which no Board action is needed. The information flow is one way, from presenter to the Board. Questions for clarification are entertained as time allows.

Grand Isle Supervisory Union
South Hero School District
School Board Regular Meeting
Thursday, March 7, 2019, at 6 p.m.
Location: Folsom Education & Community Center

DRAFT MINUTES

In attendance:

-Board members: David Cain, Melanie Henderson, Tim Maxham, Bentley Vaughan, Bob Chutter

-Staff: Susan McKelvie, Michael Clark, Rob Gess, Julie Pidgeon

-Audience: Jim Jones (LCATV), Bob Buermann

Call to Order

1. Superintendent Michael Clark called the meeting to order at 6:02 p.m.

2. Board reorganization (Action)

A. Election and Appointments: M. Clark asked for nominations for board chair. B. Chutter nominated Melanie Henderson for board chair. T. Maxham seconded the motion. Approved on a voice vote.

M. Henderson made introductions and continued board reorganization.

Vice chair: T. Maxham nominated David Cain to serve as vice chair. B. Vaughan seconded the motion. Approved on a voice vote.

Clerk: T. Maxham nominated Bentley Vaughan to serve as Board Clerk. Bob Chutter seconded the motion. Approved on a voice vote.

Supervisory Union Board representatives: B. Chutter nominated Melanie Henderson, Tim Maxham and Bentley Vaughan to represent South Hero on the Grand Isle Supervisory Union Board. T. Maxham seconded the motion. Approved on a voice vote.

T. Maxham nominated Melanie Henderson to serve on the GISU Executive Committee. B. Chutter seconded the motion. Approved on a voice vote.

Negotiations Committee: T. Maxham nominated David Cain and Bentley Vaughan to serve on the Negotiations Committee. B. Chutter seconded the motion. Approved on a voice vote.

B. Operational decisions

-Set regular board meeting schedule: T. Maxham moved the South Hero School Board continue meeting on the 1st and 3rd Thursday of month at 6 p.m. D. Cain seconded the motion. Approved.

-Schedule annual board work session (retreat): The board will set this date later.

-Designate places for posting meeting agenda and minutes: T. Maxham moved to continue posting meeting agenda and minutes in the same places – Folsom School, the South Hero Post Office and the South Hero Town Office. B. Vaughan seconded the motion. Approved on a voice vote.

-Agree on whether to use Robert's Rules for Small Boards: T. Maxham moved the board use Robert's Rules for Small Boards. B. Chutter seconded the motion. Approved on a voice vote

-Discuss and adopt Code of Ethics: M. Henderson reviewed Code B3R-VSBA Code of Ethics for School Board Members. D. Cain moved the board adopt the code. B. Chutter seconded the motion. Approved on a voice vote.

-Identify communications practices: M. Henderson said the board would continue to receive information from the Supervisory Union via electronic communication. Any board member who wishes may receive paper copies of all information.

-Discuss board development opportunities and attendance: M. Clark said M. Henderson as board chair is required to undergo 8 hours of training each year. He noted that there is training and other educational opportunities for other board members who are interested.

-Discuss local and statewide education advocacy responsibilities: M. Clark noted the board in the past has been involved in local and statewide education issues, including the alternative governance structure under Act 46. He said he tries to keep board members updated on what is going on in the state and that they have a role in being informed.

-Designate newspaper for notification of meetings: D. Cain moved the board designate *The Islander* as the newspaper for notification of meetings. T. Maxham seconded the motion. Approved on a voice vote.

3. Adjustment of Agenda

-M. Clark added a contract for a long-term substitute for signatures under Consent Agenda.

4. Public Comments

-Bob Buermann said he wanted to participate in the discussion of Town Meeting results.

5. Consent Agenda (Action)

A. Approve minutes from Feb. 7, 2019, and Feb. 20, 2019, meetings.

T. Maxham made a motion to approve the minutes of the Feb. 7, 2019, meeting. B. Chutter seconded the motion. Approved.

T. Maxham made a motion to approve the minutes of the Feb. 20, 2019, meeting. D. Cain seconded the motion. Approved.

B. Long-term substitute contract. M. Henderson initiated signing the contract for the long-term substitute teacher who will be replacing Dani Holm during her leave.

6. Reports (Discussion)

a. Financial (R. Gess) (Action): R. Gess said there was no significant change from last month. There are no over-expenditures. He noted the high school tuition bills are coming in. South Hero is still under-budget. The Central Office is continuing the verification process for residency for tuitioned students.

The FY18 audit continues. The goal is to have paperwork required by the federal government completed by next week.

The Transportation RFP is nearing completion.

R. Gess thanked the board for their presentation of the budget at Town Meeting.

J. Pidgeon asked if the Transportation RFP would provide flexibility to not offer a bus and noted frustration with the cost of busing in the current contract. Superintendent M. Clark clarified that when seeking contracted services, there can be unintended consequences in cost when changing the terms.

M. Henderson asked R. Gess for clarification about the salary line item. He clarified that the amount is higher because of the long-term substitute.

T. Maxham made a motion that the board received and reviewed the Budget to Actuals Report of Feb. 26, 2019. B. Chutter seconded the motion. Approved on a voice vote.

b. Superintendent's (M. Clark): The superintendent reviewed his report. In it, he included that 58% of residency verification forms have been returned, and 42% have not. The district will send a third mailing and is holding up tuition payments pending residency verification. The receiving schools are starting to contact families to let them know their student may not be able to continue in school without verification.

The integrated field review was moved to April 17, 2019.

M. Clark updated the board on the status of the GISU Office moving to two classrooms at Grand Isle School. The CIUUSD is finalizing the agreement and it will still need final approval by the GISU Board.

Board Business

7. Debrief town meeting (Discussion): D. Cain and M. Henderson expressed thanks to the town for approving the budget. B. Buermann said the board did a great job explaining in its report the line items that might raise questions. The board thanked B. Buermann for his feedback.

M. Henderson asked B. Buermann to share his thoughts about the two articles that set up and designated a reserve fund. B. Buermann said he is concerned about the wording, particularly the wording of the article that sets up the fund. He explained in detail his concerns. He commended the board's goal of financially planning for capital needs.

M. Clark said he took the wording for the articles that was successfully used in another district. He checked on the wording of the articles with a lawyer who informally advised it was OK. M. Clark noted that next year, the board will need to ask voters again to designate the reserve fund, and that the name of the fund could be changed at that point. M. Clark said that by statute a reserve fund cannot be used for anything. It must be designated.

B. Chutter recommended the board get a legal opinion and ask the lawyers to write out the wording for the reserve fund designation for next year.

B. Buermann asked whether the state has an issue with the town directing unexpended budgeted funds to a reserve fund. It was acknowledged that the state likely does not like towns building a fund for capital repairs due to the nature of how towns receive funding from the state for education. There was discussion about whether the school is allowed to budget money for the reserve fund. M. Clark said he will do more research into it but thinks not.

B. Chutter noted that Jonathan Shaw of the Town Select Board said the reserve fund must be expended within 5 years.

8. Approval of Bills for Payment.

B. Vaughan made a motion to pay the bills in Batch 4242 totaling \$54,829.13 and the bills in Batch 4258 totaling \$315,078.83. T. Maxham seconded the motion. It was approved on a voice vote.

9. Incentive Plan (Possible Action)

M. Henderson moved the board go into Executive Session to discuss a contractual issue. B. Chutter seconded the motion. The board went into executive session at 7:05 p.m.

The board came out of Executive Session at 7:30 p.m.

M. Henderson made a motion that the board authorize the superintendent to implement the South Hero School District retirement incentive program to be offered to any teacher in the South Hero Bargaining Unit who has a combined 50 or more years of teaching experience plus years of service at Folsom School. D. Cain seconded the motion. The motion passed on a voice vote with one abstention by B. Chutter.

Closure

11. Setting the next agenda

March 21:

-Report on the language of the reserve fund from attorneys

-Continuous Improvement Plan presentation. (B. Chutter asked for longitudinal data on academic performance)

April 4:

-Update on the FY18 audit

-Discussion of alternative transportation options

April 18:

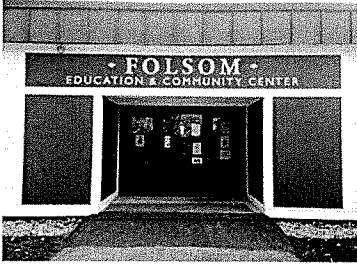
-Update on behavior data

12. Adjourn

D. Cain moved the board adjourn. B Chutter seconded the motion. Approved on a voice vote.

The board adjourned at 7:31 p.m.

FOLSOM EDUCATION & COMMUNITY CENTER



Honoring Families & Community
Every Person, Every Interaction, Every Day

<http://www.gofolsom>
www.Facebook.com/FolsomECC

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Folsom Principal's Report

March 21, 2019

- All of us here at Folsom would like to thank the South Hero community for their continued support of our school by passing the budget! We believe the investment made in our students is worth every penny. We so appreciate such positive support.
- The required Continuous Improvement Plan for the upcoming school year has been completed and is ready for board approval. I will be presenting that information tonight. This plan is based on data (qualitative and quantitative) gleaned from across our school system, including academic data, staff interviews, and the participation of our school CIP team (known as the FIT team) that includes two parent representatives. I look forward to sharing that plan and our continued vision for improving outcomes for students into the future.
- Basketball season has concluded for this school year. Congratulations to our student athletes, coaches and our A.D for an amazing season! Mr. Riegler has asked me to specifically acknowledge and thank our GISU business office for how promptly coaches and refs were paid this year in comparison to previous years.
- Ski season wrapped up for all students on March 13th. Many thanks to our staff and parent volunteers who make this program possible.
- The bi-annual Starbase program for 5th/6th graders concluded on Monday the 18th.
- Second trimester report cards went home on Friday, March 8th.
- This year, our middle school play will be the musical version of *Shrek!* Auditions have concluded and rehearsals are underway. Dates for the play are Friday May 10th and Saturday the 11th. More details to come.
- Our Data to Action Team is continuing to meet to work on an initial draft of next year's master schedule. The team is aiming to have our first draft ready for input from staff at our April 16th staff meeting. We will take that feedback and prepare a draft for the board and community input for the first board meeting in May on the 2nd. We will also schedule a separate meeting for parents/community around that time as well. I will keep you posted on that process as it moves forward.

Cont . . .

- For anyone interested in revisiting or sharing the scheduling presentation I provided to the board in January, it is posted on the LACTV site. Here is a direct link: <https://lcatv.org/south-hero-school-board-2019-01-17> We have also shared this link in the Patriot Press, the school website and in the weekly Patriot Press.
- On Wednesday, April 3rd, Folsom ECC will be presenting the highly acclaimed movie *Screenagers*: a documentary for students and parents about the challenges of managing our children's time on digital devices. It will be presented to middle school students during the school day and to the community in the evening at 6 p.m.
- I have been working with Dave Mills, our GISU Parent/Community Liaison, to offer a Career Pathways night at Folsom in April. Dave's plan is to invite a variety of folks from throughout the islands who can speak to many different careers opportunities and provide students with information about the pathways to lead to those jobs - whether that be tech or trade school, certifications, or college. As the plans firm up, I will invite Dave to share more info with the board. We are looking at something like a career fair format, but geared towards sharing information with kids and young adults that will help them think about possibilities for their futures.

Memorandum – Attorney-Client Privileged Material

To: Superintendent Mike Clark
From: Sean Toohey, Esq. – LLBM
Date: March 13, 2019
Re: Article language for reserve fund, capital improvements

Question Presented: Does the language approved by the voters in Articles 6 & 7 create a valid FY19 reserve fund for capital improvements?

Short Answer: Yes.

Analysis

In ~~January~~ ^{March} 2019, the South Hero School District voters approved two Articles:

ARTICLE 6. Shall the voters of the South Hero School District authorize the school board to open a South Hero School District Educational Reserve Fund on or before July 1, 2019?

ARTICLE 7. Shall the voters authorize the School Directors to place unencumbered funds from FY19 in a Reserve Fund for the purpose of capital improvements to the school facility under the control and direction of the School Directors of the South Hero School District?

A voter has questioned whether the Articles created a valid reserve fund for capital improvements.

The relevant statutes are 16 V.S.A. § 567 (“surplus”) and 24 V.S.A. § 2804 (“reserve funds; use”). Section 567 is specific to school districts and states:

If an audit reveals that a school district has surplus funds, the school board shall carry the funds into the next year as revenue unless authorized by the voters, at an annual or special meeting warned for the purpose, to:

- (1) deposit the funds into a reserve fund established pursuant to 24 V.S.A. § 2804; or
- (2) use the funds for a specific purpose.

Here, Article 6 does not directly accomplish either the deposit of surplus funds or identify the use of funds for a specific purpose. It expressly covers the creation of a reserve fund, which is permitted under 24 V.S.A. § 2804, but it is unfunded and provides no instruction to the board on how to utilize funds in the reserve fund. The reserve fund could be broadly read to cover “education” generally, but this is likely insufficient under § 2804. Ultimately, Article 6 only gives the school board authorization to open a reserve fund; it does not require it to do so.

Article 7 expressly references depositing surplus funds from FY19 into a reserve fund for a specific purpose, capital improvements, addressing all aspects of § 567. Arguably, Article 7 is sufficient on its own to create a capital improvement reserve fund, independent of Article 6.

24 V.S.A. § 2804 covers municipalities generally (including schools) and states:

(a) At an annual or special meeting duly warned, a municipality may establish a reserve fund to be under the control and direction of the legislative branch of the municipality. The reserve fund shall be kept in a separate account and invested as are other public funds and may be expended for such purposes for which established, or when authorized by a majority of the voters present and voting at an annual or special meeting duly warned, for other purposes.

(b) If a reserve fund is established under subsection (a) of this section to pay a school district's future school capital construction costs approved under 16 V.S.A. chapter 123, any funds raised by the district as part of its education spending to pay for those future costs shall be considered "approved school capital construction spending" in calculating excess spending under 32 V.S.A. § 5401(12). Districts shall submit to the Agency of Education annually a report of deposits into and expenditures from a school capital construction reserve fund. If the Agency of Education determines that any amount in the reserve fund has not been used for approved school capital construction within five years after deposit into the fund, then 150 percent of that amount shall be added to the district's education spending in the then-current year for purposes of calculating the excess spending penalty. The definitions in 16 V.S.A. chapter 133 shall apply to this subsection.

Here, Article 6 validly created a reserve fund under § 2804(a), but did not fund it or clearly define how it could be used. As noted, calling it the "education" fund does not clearly establish the purpose.

Article 7 validly allocated the FY19 surplus as funds authorized by the voters for capital improvements, held in a reserve fund and managed by the Board. Section (b) outlines requirements for capital reserve funds that are not directly related to the creation of the fund (though important to be aware of).

In sum, the voters approved the creation of at least one, if not two, reserve funds. The voters approved the use of the FY19 surplus for capital improvements to be kept in a reserve fund managed by the Board. Even if the Article 6 fund is interpreted to cover spending on all educational needs, Article 7 is a § 2804(a) authorization from the voters that the FY19 funds are only to be used for capital improvement to the school building.

Since the authorization from the voters on how to use the FY19 funds is unambiguous, there is little risk that putting them in the "South Hero School District Educational Reserve Fund" would lead to confusion or misuse, particularly since they would be the only funds in that account. It is unclear why the voters would agree to create an unfunded reserve fund. It is also unclear why

anyone would have a problem keeping funds reserved for a specific purpose in the South Hero School District Educational Reserve Fund, as long as the Board uses the FY19 funds for capital improvements.

If the Board were contemplating using the FY19 funds for anything other than capital improvements, I would advise against it. However, I see no issue with keeping those funds in the South Hero School District Educational Reserve Fund with the understanding that the FY19 surplus must be used for capital improvements to the school facility.

Alternatively, you could create an unfunded South Hero School District Educational Reserve Fund and a funded South Hero School District Capital Improvements Reserve Fund using the FY19 money. Going forward, you could just reference the South Hero School District Capital Improvements Reserve Fund for future surplus funds. Another option would be for the board to not use the authorization to create the South Hero School District Educational Reserve Fund and only create a specific capital reserve fund, or you could rename the South Hero School District Educational Reserve Fund as the South Hero School District Capital Improvements Reserve Fund.

Going forward, it would add clarity for future articles to state that you are putting the FY20 (etc.) funds in the specifically named Reserve Fund to be used for the purpose of making capital improvements. A future article would look like Article 7 with a more specific destination for the funds:

ARTICLE __. Shall the voters authorize the School Directors to place unencumbered funds from FY__ in the [specifically named] Reserve Fund for the purpose of capital improvements to the school facility under the control and direction of the School Directors of the South Hero School District?

In addition, if you want to create a reserve fund using certain funds for a specific purpose, you could combine the steps in one article:

ARTICLE __. Shall the voters authorize the School Directors of the South Hero School District to deposit unencumbered funds from FY__ in a [specifically named] Reserve Fund established for the purpose of _____, under the control and direction of the School Directors?