

South Hero School Board

Meeting **Thursday, Dec. 7, 2017** at Folsom Education & Community Center

DRAFT MINUTES

Call to order at 6:03 p.m.

In attendance:

-Board members: David Cain, Melanie Henderson, Tim Maxham, RJ Sweeney, Bentley Vaughan

-Staff: Susan McKelvie, Don Van Nostrand, Julie Pidgeon, Helen Bishop, Rob Gess

-Audience: Jim Jones (LCATV), Cassie Shoram, Aleczaider Bessette, Mitchell Richardson, Kari Banas, Andrea Sweeney.

Adjustment of Agenda

-The board moved the executive session on a student resident to come after the public comments

-The board added a student issue to the executive session at the end of the meeting

- The board added feedback on the Act 46 proposal to before the budget discussion

Approval of the Minutes

The minutes of the Nov. 30, 2017, meeting were approved as amended on a voice vote. The minutes were amended to add a line on page 4 to read: "He would like the items that were not budgeted to be broken out as separate information." T. Maxham made a motion to approve the minutes as amended. M. Henderson seconded the motion.

Public Comments

Kari Banas thanked the board for their involvement in the GISU discussion of moving the central office to Grand Isle School. She supports having the offices consolidated. She thinks there should be savings if the offices are brought into a school building and that the savings should be shared among the five towns. She also wondered what the proportion for cost-sharing should be now and going forward under new organizational structures. She does not want this decision to set a precedent for the future on the proportion of what each town pays. She expressed that it's a great idea, but the savings should be for everybody.

D. Cain responded that a decision on the office may be voted on Dec. 19. He said the percentage of assessment that the town pays for the supervisory union is set by the state and is based on the number of students in the district. He indicated that the board members are individually looking at the numbers for that proposal. T. Maxham said the situation is complicated. The towns will pay a proportionate cost and the new Champlain Islands Unified Union School District will own the building and will receive the rent, but that district will have the cost of maintaining the building.

D. Cain noted that the board cleared up who its voting representatives were at the last meeting. D. Cain cannot attend the meeting on Dec. 19 and wanted the board to be clear about who is authorized to vote

at that meeting. D. Van Nostrand read the statute, and it was noted it does not say anything about alternates. B. Vaughan suggested they appoint someone to be a voting member in D. Cain's place.

The board chair added to Board Action:

- Selection of GISU voting representatives.

Executive Session

The board went into executive session at 6:20 p.m. to discuss a student residency issue. D. Cain moved and RJ Sweeney seconded the motion. Approved on a voice vote. The board came out of executive session at 6:45 p.m. with the intention of continuing the student residency discussion at the end of the meeting in executive session.

Board Discussion

Act 46 Feedback: D. Van Nostrand read a note from the State Agency of Education about the process for handling its Act 46 proposal. The report needs to be sent to the state before Dec. 26. D. Van Nostrand will ensure it is sent to the state. M. Henderson will send him the report. The board should not expect to hear much for 6 months.

FY19 Budget: R. Gess reviewed the FY19 budget for board members. Items that were discussed:

-General Instruction: The budget used projected FY18 salaries for rest of year and the contract to project a cost for FY19. Line 6 has the correct salaries based upon the contract. It is based on no changes in staffing. Instructional aide salaries are based on who is on staff now.

-Line 7 Substitutes: There is \$22,000 -\$23,000 in FY17 and it is budgeted at \$15,000 in FY18. R. Gess put in \$15,000 for FY19. As of Dec. 6, 2017, there is \$10,728 encumbered spent for substitutes. S. McKelvie suggested that the board keep the line as budgeted. She suggested the board start listing questions that are raised as they look at the budget. She says she has questions that need to be answered before making a recommendation.

Line 13: The new Health Reimbursement Account was funded at 100%. R. Gess noted that it's unknown how much the HRA will be used. Generally, his research shows that approximately 60% to 65% of the HRA is used. He funded it fully at about \$70,000 to be conservative. The budget can be reduced if it is not fully funded. D. Cain said this decision is one the board will rely on R. Gess if he thinks this is a reasonable direction. If the HRA was funded at 65%, then it would remove about \$25,000 from the budget increase for that line item. D. Cain noted that would essentially level fund instructional group health.

D. Cain noted that retirement incentive line 10 is now gone.

Line 19: instructional course reimbursement. Currently, the amount spent is \$5,705 in FY18. D. Van Nostrand said that part of the challenge in the master agreement is that teachers can do all of their credits in one year of the two-year period. D. Cain wondered if there is a typical time when credit classes are taken. No data exit, but S. McKelvie said anecdotally that July is a popular month.

Lines 34-38 High School Tuition: This is budgeted at \$1.1 million. As of Nov. 20, there are 67 tuitioned students from South Hero. R. Gess is basing projections on the number of 12th graders exiting the

system and the number of 9th graders entering. He noted that all it takes is two families with tuition students to move in to affect that line. He added this year's tuition rates plus an estimated 3% increase for FY19. There is not a buffer in terms of students who were budgeted for tuition.

M. Henderson asked about students who moved into the district last spring. The increased expense in the tuition counted in FY17 (May-June) and FY18. M. Henderson wanted to know if South Hero was on target for the FY18 budget for tuition. R. Gess said the district is still waiting for information from high schools and it's too early to tell if South Hero will meet its budget for tuition.

Line 44: Math supplies: R. Gess needs guidance on what to budget. South Hero spent \$9,400 in FY17 but budget \$750 in FY18. S. McKelvie noted she would like to know what the money was spent on in FY17. D. Cain said he believes the information would be in the minutes. At the end of FY16, the budget was underspent. The board decided to pay forward some expenses at the time, and that ended up in FY17. R. Gess noted an expense in August 2016. He and S. McKelvie will investigate.

S. McKelvie: When was the purchase of the lab tables for the science room?

D. Cain: He believe it was in FY17.

R. Gess noted that he level-funded instructional supplies. It was noted that some items were dropped to reflect the actual spending. For example, if furniture was purchased one year, it does not need to be budgeted in the future.

It was noted that some past expenses were funded by the Robinson bequest.

Computer equipment: The district hopes to save money by moving desktop computers to a Dell platform. S. McKelvie noted she is working with David Brisson, GISU Network Administrator, to create a 3-year plan for updating technology. She noted that the line item allows the school to stick with the 3-year plan. She would like to restore the budget to \$12,000, up from the \$10,000 R. Gess suggested. R. Gess noted the GISU is trying to get old computers off the network because the computers are outdated and pose a safety risk.

Special education: The budget is based on what was submitted to the state from Special Education Director Beth Hemingway in October for students on her service plan. Special educator salaries are zeroed out in South Hero's budget because they are paid through the GISU budget. The aide salaries are budgeted and paid through the local budget.

Line 128: Tuition for Pre-K: The actual for FY17 was \$36,000. The FY18 budget was \$61,000. The projection for FY19 is \$62,500. R. Gess noted his figure is an estimate. He is working on a more definitive number. It was noted that it's a similar challenge as high school tuition. When the law changed, the town became responsible to pay pre-school for 3-year-olds as well as 4-year-olds. In addition, the town is required to pay for any resident's choice of an accredited pre-K program. The rate from the state is \$3,200 for 10 hours. Pre-K is considered a 0.4 equalized pupil.

Line 216 Student body activities was level-funded. The late bus was reduced last year because some activities were curtailed, S. McKelvie noted. But she said R. Gess has budgeted it at a previous amount to reflect more activities this year.

Line 217: Athletic Director Andrew Riegler has brought to the board's attention the payment of coaches relative to neighboring districts. It is budgeted at \$3,500. S. McKelvie noted that it was not fully spent in FY17. Line 231 is the bus for sports.

D. Van Nostrand noted bus transportation will be going up 8% next year in the third year of the district's 3-year contract. There is state reimbursement for 50% of the cost of the bus.

Summer programs: He budgeted it similarly to what was budgeted last year. It was noted that there may have been some confusion in where summer tutoring was budgeted and spent in the past. He will move the money from line 236 to 243.

Guidance is a contractual-based increase. M. Henderson wanted to know why guidance is not included with instructional salaries. D. Van Nostrand said that is a traditional way of budgeting that position. M. Henderson noted that the guidance position is still subject to the same teacher contract.

Health assistant position: In this district there is a registered nurse who oversees assistants who provide health care. S. McKelvie noted this system is less costly than paying for a nurse pro rata.

Line 329 Speech services: A new position is required by student enrollment and has been added to the budget. D. Cain asked if there was federal reimbursement. D. Van Nostrand noted that if there is an IEP, then yes. S. McKelvie confirmed the position is part of an IEP. It was noted that the position was added to this school year but was an unbudgeted expense based on student enrollment.

Library: M. Henderson asked and it was confirmed that the librarian falls under the same teacher contract. S. McKelvie asked the board to think about the fact that the town library is moving out and will be taking about one-third of the children's books with them that belong to them. There will be a need over time to replace books. The other thing to think about is the use of that space. The librarian does not have an instructional space when she has classes there, so when the town moves out, there will be some open spaces, but there may be furniture that needs to be replaced. S. McKelvie has asked the librarian to come up with a 3-year plan for those expenditures so it doesn't come in one year. She would like the board to consider developing the space for community meetings and potentially gain revenue from renting the space. T. Maxham asked the projected timetable for the library's move. S. McKelvie said she has been told October or November 2018. S. McKelvie noted that it also impacts the school's revenue and that the board can start to build that change into its budget. B. Vaughan said it's potentially a good opportunity for us to utilize the space in a new way. T. Maxham said that George Nelson had put together the proposal that went to the state for the building to be a shared space between the school and community.

D. Cain noted there is no raise for the Board of Education salaries.

Line 440 Legal services: R. Gess asked the board to communicate how much it wants budgeted.

T. Maxham asked about Line 437 Cafeteria plan. D. Van Nostrand said it's a Section 125 plan, health savings account, for the board. M. Henderson asked if the board is required to have that line. R. Gess said he would check. It was noted the board spent \$912 in FY17.

Line 445 Advertising: D. Cain talked about advertising to the other island towns for South Hero's middle school. He asked the board to think about what it wanted to budget for that.

GISU Budget: R. Gess said the GISU budget lines are preliminary until that budget is approved. D. Cain noted that the South Hero portion of the GISU budget went up 16%. It went up because of the increases in technology (firewall and data warehousing tool), audit and health insurance. The \$240,000 is the proposed South Hero portion of the GISU's FY19 proposed budget. It does not include special education, transportation and school nurse. D. Van Nostrand and R. Gess looked through the GISU budget and said the cost drivers were the audit line (\$50,000), the health reimbursement account and technology.

Principal services: D. Van Nostrand suggested the board needs to consider that in executive system. D. Van Nostrand would also like to start a conversation in executive session about budgeting for instructional salaries.

Line 466 Home School Coordinator: T. Maxham asked if that is the correct place for it. S. McKelvie said she asked the same question of R. Gess. It was noted that it is not an instructional position and it is not administrative. The name on the line item can be changed. Substitutes for principal services covers the administrative assistant.

Principal services: Board members discussed the cost of the telephone. It is increasing based on billing. B. Vaughan asked about looking at other providers. D. Van Nostrand said he and D. Brisson have started to have discussions. South Hero is paying approximately \$10,000 a year.

M. Henderson asked about Line 513. Support services reimbursement is a special education cost that goes to the GISU. It was noted that cost includes staff. S. McKelvie said the cost includes staff beyond this building for Pre-K and high school.

T. Maxham brought up that the board had discussed in the past about how the change in health insurance affected the plant maintenance staff. He said now is the time to follow-up on that. D. Cain agreed and said the board would like to understand the impact of changing health plans on staff.

Line 541: T. Maxham noted there is no figure for water. The board asked for follow-up on that. T. Maxham said it's a flat rate.

The board discussed an amount budgeted for equipment rental. There was a discussion of plant needs. S. McKelvie said she asked Steve Berard if he anticipated any major expenses in FY19, and he does not.

Food services: R. Gess will be continuing to learn about how this is treated. T. Maxham brought up a past proposal of increasing lunch rates each year by the allowable amount. T. Maxham asked how many students are getting school lunch. Is it cost-effective for the number of people we are serving? S. McKelvie said she would share that data.

D. Cain asked about revenues. He also asked if there would be an equalized pupil number by the next board meeting. D. Van Nostrand said that figure should be available from the state by Dec. 15.

D. Cain asked when the budget has to be to the town offices. T. Maxham said around Jan. 20. D. Cain noted the board will have three more meetings before that deadline.

Board Action

Approval of bills for payment. B. Vaughan moved, and RJ Sweeney seconded a motion to pay the bills. Approved on a voice vote.

Selecting new SU representation: T. Maxham expressed that he does not like changing voting membership. D. Cain said his concern is that South Hero won't have representation if a volunteer member cannot attend. There was discussion of what the statute says regarding alternates and their voting privileges. J. Pidgeon asked whether the board chairman can have someone serve in his stead if unable to fulfill the duties. RJ Sweeney noted the rigidity of the structure and asked about video-conferencing in to vote. T. Maxham said he would vote to support the move of the SU offices to Grand Isle given the information. D. Cain said he was fine accepting T. Maxham's vote if he attends the meeting in D. Cain's place. T. Maxham said if the board is going to appoint him, D. Cain must resign, and T. Maxham will serve on the GISU board until a reorganization meeting after Town Meeting election. B. Vaughan and M. Henderson suggested leaving the representation as is. D. Cain asked D. Van Nostrand to clarify the voting of alternates. Discussion tabled.

Executive Session

D. Cain moved the board go into executive session at 8:45 p.m. to continue its discussion of student residency, to discuss the solar contract, to talk about a student issue, to discuss the principal line item and staff contract. T. Maxham seconded. Approved on a voice vote. The board came out of executive session at 11:02 p.m. The board took no action.

Adjourn

The board adjourned 11:03 p.m. D. Cain moved to adjourn; M. Henderson seconded. Approved.
