

Slate Valley Unified Union School District
 SPECIAL Finance Committee Meeting
 Monday, January 4, 2021
 5:30 PM

Approved Minutes

Attending: Christine Pouliot, Glen Cousineau, Kris Benway, Chris Cole, Brooke Olsen-Farrell, Toni Lobdell, Rick Wilson, Pati Beaumont, Tim Smith, Josh Hardt, Julie Finnegan, Rebecca Spears, Rebekah St. Peter, John Wurzbacher, Casey O'Meara, Cheryl Scarzello

Call to Order: Glen Cousineau called the meeting to order at 5:32 p.m.

Approval of Agenda: Christine Pouliot made a motion to approve the agenda with the removal of warrants from tonight's agenda, this was seconded by Rick Wilson. Motion passed unanimously.

Approval of Minutes - December 7, 2020: Christine Pouliot made a motion to approve the minutes with no changes or corrections and this was seconded by Rick Wilson. Motion passed unanimously.

FY22 Budget Discussion: Cheryl and Brooke shared the budget presentation that they had prepared. Questions will be taken after the entire presentation per Cheryl. The first change Cheryl made was to the FY 22 Budget Breakdown page, adding additional information for further clarification. She tried to list the big drivers for each of these categorical areas. She gave more information about purchased services, with greater breakdown information. The early estimates for the Middle School Project for what could begin this year have been added to this budget proposal. Cheryl said we need to make a decision about how much surplus we want voters to approve to add to the Capital Project Reserve Fund to support the Middle School Project. Cheryl is recommending somewhere between \$750,000.00 to \$900,000.00.

Cheryl prepared two proposals for the Finance Committee to consider: FY22 A puts more money in the general fund than FY 22B. The big driver according to Cheryl is how much money we plan to use from the prior year surplus. There is less money being spent on Special Education services this year, which then also results in less revenue in Special Education. For each of these proposals Cheryl provided estimates of the tax rate in her slide presentation and reviewed these.

Cheryl provided the following overview. We have approximately \$2.6 million surplus primarily due to early school closure last year related to the Covid 19 Pandemic. She prepared the following chart:

Slate Valley Unified Union School District FY22 Budget.

	FY 22A	FY22B	FY21 Budget
Use of Prior Yr Surplus	\$1,931,836	\$1,781,836	\$1,019,000
Expenditure Budget	26,280,386 (*down 122,203 from FY21)	26,280,386 *down 122,203 from FY21)	26,402,586
Local Revenue	\$5,344,993	\$5,194,993	\$4,794,234
Education Spending	\$20,935,392	\$21,085,392	\$21,608,352
Education Pupils (preliminary)	1,275.17	1,275.17	1,318.09

Educations Spending per Equalized Pupil based on Proposed budget	\$16,417.73	\$16,535.36	\$16,393.68
Percent Increase in Education Spending per Equalized Pupil	.15%	.,86%	

The main question Cheryl needs answered tonight is how much of the \$2.6 million dollar surplus should be used in the FY22 budget and how much should go to the capital reserve fund. She was recommending between \$750,000 and \$900,000. Shown in proposals FY 22A or FY 22B above. Both of these proposals result in less than a 1% increase in per equalized pupil spending. Cheryl also pointed out that at this time equalized pupils have not been finalized by the AOE. Last year they were not finalized until February 14th.

There was discussion. Some were hoping to achieve a 0% increase. To do this we would need to cut an additional \$160,000.00 from the proposed budget. Cheryl went on to review estimated tax rates with the CLA, which is final, and using the Tax Commissioner's recommended yield and the FY21 yield to demonstrate the effects of each. The Finance Committee members clearly feel that they have heard from the taxpayers that they are interested in repairing the infrastructure of our buildings, addressing the years of deferred maintenance. To do so now would save money in the long run.

The Capital Fund monies that are set aside through FY22 Budget would be paired with \$394,000 in current capital fund earmarked for FHU and the \$17,500.00 from West Haven. The Finance Committee would need to recommend using the West Haven funds to support work at FHU.

Tim Smith asks for clarification of who pays what for employee municipal contributions. Cheryl explained that there is an employee and employer contribution to municipal retirement. Cheryl clarified that the employer contribution increased from 6% to 6.26% for group B. The employee contribution increased from 5.375% to 5.625% for group B. Most staff are in group B. This increase has been incorporated in the expenditure budget. Tim mentioned the tough times taxpayers are experiencing and the significant food insecurities our people are experiencing. Tim asked Cheryl to clarify why there was an increase in this line. Cheryl said the first year we went to providing free breakfast and lunch we had no idea how many would take advantage of this and we did not have this for a full year, now we have real numbers to better represent the number of students who are taking advantage of these services. Tim asked if the Covid stimulus monies would help to offset the budget? Cheryl explained that there were many expenses incurred to prepare to be able to keep our schools open and to meet the dictated needs of the Health Dept to maintain Safe and Healthy Schools, so the money coming in from CRF funds is really a wash to pay for all that is needed. Chris Cole reminded the Finance Committee that the HVAC improvements alone were over \$136,000.00 for the needed ventilation work. New nurses isolation rooms had to be developed in each building, etc.

Rick Wilson asked about the difference between the HSA and why we were shifting to HRA's? Cheryl clarified that the collective bargaining happens at the state level for this decision. The HSA is no longer available to union employees except for the Silver Plan. Brooke and Cheryl reviewed some of the other cuts to the building. Brooke noted that the Virtual Listening Tours were coming up again in January and she would prepare some talking points for the Board members. Some of the topics will include: Efficiently managing expenses, how the CLA is calculated, the fact that Fair Haven properties are selling below the assessed values.

Rick Wilson mentioned that his thoughts on the surplus, he is a bit nervous to put the \$1.9 million into the FY22 budget. Glen Cousineau believes that this money can be put into the infrastructure. There was discussion about the impact to the FY23 budget. Brooke mentioned that with the move of the Middle School and further consolidation we should see minimally an additional savings of \$1,000,000.00.

Glen Cousineau called the question again, how much of the \$2.6 million dollar surplus should be put towards the Capital Reserve Fund. He leans towards \$900,000,00. This money has already been raised per Christine Pouliot. Tim Smith disagrees and says he thinks the \$750,000 should be transferred to the reserve fund. The Finance Committee voted and the majority thought \$900,000.00 less \$17,500.00 of West Haven funds for a total of \$882,500.00 should be transferred to the Capital Reserve Fund.

Agenda Building:

- Discussion of tax Yield
- Final FY22 Budget Draft presented to the full Board
- Recommendation of the surplus with \$882,500.00 to the Capital Reserve Fund
- Annual Meeting/Informational Meeting Decision (Virtual Meeting)
- Ballot process and what's included
- Talking Points for the Virtual Town Meetings in January
- Announced Tuition

Other: None

Adjourn: Christine Pouliot made a motion to adjourn at 7:33 p.m., this was seconded by John Wurzbacher.

Next SVUUSD Finance Committee Mtg. - January 11, 2021 - 5:30 p.m.