

**MINUTES FOR THE ANNUAL MEETING OF THE
HARWOOD UNIFIED UNION SCHOOL DISTRICT**

**MARCH 6, 2017 6:00 P.M.
HARWOOD UNION HIGH SCHOOL LIBRARY**

Present: Sam Jackson, Garrett MacCurtain, Jill Ellis, Heidi Spear, Gabriel Gilman, Christine Sullivan, Alycia Biondo, Rosemarie White, Alex Thomsen, Jim Casey, Maureen McCracken, Caitlin Hollister, Brigid Nease, Michelle Baker, several members of the public

Meeting called to order by Moderator Jeff Kilgore at 6 p.m.

Jeff Kilgore introduced Christine Sullivan, chair of the Harwood Unified Union School District Board. Each board member introduced themselves to the audience.

Jeff Kilgore went over Robert's Rules of Order for the meeting.

ARTICLE I: To elect the following officers: a moderator for a term of one (1) year, commencing immediately; a clerk for a term of one (1) year commencing July 1, 2017; and a treasurer for a term of one (1) year commencing July 1, 2017.

Rosemarie White nominated Jeffrey Kilgore for Moderator. Garrett MacCurtain seconded. As there were no other nominations, the Moderator instructed the clerk to cast one ballot for Jeffrey Kilgore as Moderator for one year, which shall commence immediately.

Christine Sullivan nominated Lara Seaberg to serve as Clerk. Rosemarie White seconded. As there were no other nominations, the Moderator instructed the clerk to cast one ballot for Lara Seaberg to serve as Clerk for one year, commencing July 1, 2017.

Maureen nominated Nancy Myrto to serve as Treasurer. Rosemarie White seconded. As there were no other nominations, the Moderator instructed the clerk to cast one ballot for Nancy Myrto to serve as treasurer for one year, commencing July 1, 2017.

ARTICLE II: To ratify and confirm action taken at the August 31, 2016 organizational meeting of the Harwood Unified Union School District.

Alycia Biondo moved to ratify and confirm action taken at the August 31, 2016 organizational meeting of the Harwood Unified Union School District. Jim Casey seconded. Steve Magill of Moretown, asked what this means to ratify and confirm the action. Once voters agreed to consolidate, there was an organizational meeting held. At this meeting, all board members were sworn in by the Secretary of Education. There were other articles such as electing officers, setting compensation for those officers, setting annual meeting date, etc. This is what you are ratifying and confirming. Motion was approved.

ARTICLE III: To receive and act upon reports of District officers.

Maureen McCracken moved to receive and act upon the reports of district officers. Christine Sullivan seconded. There was a short presentation by Michelle Baker, Director of Finance, on the proposed first budget for the Harwood Unified Union School District (HUUSD) for 2017-18. On June 7, 2016, voters voted to approve formation of HUUSD under Act 46. Effective July 1, 2017, our school districts are

combined into one unified district, which means one budget for all schools and Central Office. The budget totals \$36,294,313. If you look at the combined budgets for 2016-17, this is a 3.2% increase. She shared the estimated equalized tax rate per town. Warren is the only town the tax rate is expected to increase, by .7%, which is less than if Warren had gone through with their bond on their own. Overall, with this budget, there is an anticipated decline in tax rate for five towns. The budget is increasing with an allowance for collective bargaining for support staff and teachers, establishment of prudent maintenance reserve for all seven schools through the use of carryover fund balances; increased maintenance reserve; Granville bus. She showed a graph of actual homestead tax rates from FY 15 to FY17.

There was a question and answer period. Arthur Trezise from Fayston asked that with merge, will there be a single chart of accounts? Michelle Baker said HUUSD will be tracking items on a school-by-school basis. Based on the school's program, HUUSD will want to track those. Mr. Trezise asked if the goal was to combine the chart of accounts. Michelle Baker stated they could be done separately or all together. Bill Shepeluk from Waterbury clarified that HUUSD will be able to see each school as a department and can see them separately as well as combined. That is the case.

Alan Hartshorn from Warren asked if a school has a slush fund, what happens to that. He clarified that he was talking about funds for maintenance, such as if the furnace blew up. Michelle Baker said there are several levels of maintenance in the budget. We budgeted for annual maintenance needs and short-term maintenance needs (cleaning duct vents, etc.). Mr. Hartshorn then asked what happens to the money if the furnace blows up. Michelle Baker said that would still be a maintenance reserve fund for the school. Some schools have funds, and some don't. We need to create a new maintenance reserve fund that can be used for all schools. Any current maintenance reserve funds must remain for that school.

Alan Hartshorn from Warren asked if anyone in the room is familiar with the VT Constitution. He said the VT Constitution says the State is responsible for the education of children. So why are we talking about budgets? If the State is responsible, why don't they pay this?

Scott Mackey from Waterbury asked what is happening to the enrollments in the district. Michelle showed the enrollment information as of October 1, 2016. Statewide, Vermont is losing 1000-1200 students per year. She showed a sheet that shows enrollments from 2009 through 2016. Every school's enrollments are declining, except TBPS which is increasing. This is for K-12. For PK through 12, we are decreasing. PK is increasing with the Act 166. Laura Caffry asked if we have more PK students in the district due to people having children or because of Act 166. Most of it is due to Act 166.

Nancy Phillips from Fayston wanted clarification of Central Office budget. She asked about contracted services. Michelle Baker said contracted services are occupational therapists, physical therapists, evaluators, etc. which are used for all schools. Purchased services are insurance, postage, etc. Supplies and equipment reflect Central Office and special education usage. This information can be found on the HUUSD tab on our website www.wwsu.org.

Marie Steyaart from Duxbury asked if budget is increasing from this year to next year, what enrollment is doing. It is going up slightly. Ms. Steyaart saw a letter in the Waterbury Record that the salary increases in administration are going up. What was being reported in the Waterbury Record is estimated increases contingent on the negotiations with teachers. The editorial in the Waterbury Record and Valley Reporter stating that the teachers would not get an increase is blatantly incorrect. There are no actual savings from combining the schools and the tax rate incentive. In the next fiscal year, we would show savings. Brigid Nease said the local boards will close down by December 2017, and we can then try to bring this together. Ms. Steyaart asked if there been any discussion of the smaller schools thinking about restructuring anything and if there has, are we going to postpone maintenance in those schools so we can think about restructuring? Brigid Nease said this has been fast and furious to come together under one budget. None of us could have anticipated the amount of work and effort

involved. The timeline was very short to bring together a combined budget. All of the conversations about operating the seven buildings will go forward but could not do it in the short period. Heidi Spear said the Articles of Agreement indicated that we would not close a school for the first four years. We will not be neglecting any building until we decide that. Alycia Biondo said they have work groups, and the facilities workgroup is touring each building and bring information back to full board. Garrett MacCurtain said there will be some difficult conversations about consolidating, etc. Rosemarie White said we have to be laser focused that we are prudent with tax dollars. Arthur Trezise from Fayston suggested that anything in the range of maintenance should be put into capital projects.

Scott Mackey of Waterbury said it used to be that the tax rates are based on enrollment. Are we now in a situation where the enrollments are pooled together? Michelle Baker stated yes, that is how it will be done, with one number.

Ms. Day asked about the bus to Granville. Brigid Nease said HUUSD is looking to a long term vision. We need more kids, with the challenge of declining enrollments. One thing we could do for a quality education for kids was to develop and implement an intra-district school choice that will allow school choice for all schools in all of our towns. Every year we have some families who have children who are closer to one school, but had to go to another. The goal with the Granville bus is to try to get students to come to our schools and matriculate to HUHS. Granville doesn't have a school, and if we have a bus to allow those children to attend our schools with tuition, the cost of the bus would be covered by the cost of two tuition students. We have about 16 students who are interested. Rochester High School is closing, and those students could possibly come to our schools. We hope this offer will be an incentive to them. David Luce from Waterbury as if you are talking about inflow of students, have you thought about outflow? In other words, how many of our students would be leaving to go to other school districts? Brigid Nease explained that the intra-district school choice is only within our schools in our SU.

An audience member asked what the cost per student was. It will be \$20,000 per student next year with \$35,000 being offset by revenue to move to \$16,000. The state average is approximately \$14,600.

Maureen McCracken wanted to talk about the enrollment. From 2009, we have declined by 4%. A lot of what happens is the variable cost, but enrollment is going up slowly. Our cost per pupil is higher than the state average. The state average that was mentioned above is not this year's average. Chances are it is higher. Scott Mackey from Waterbury said the Governor recommended level funding budgets for next year. Did the Board have a conversation about it? Christine Sullivan said it came out after HUUSD had voted on the budget. It would mean cutting a lot of programs and teachers. It's about keeping per pupil rates the same, and if enrollment is declining, it could impact a lot of things. Jill Ellis said the timing was not good. One of the incentives for going through the merger was not having a cap on our spending. Heidi Spear said there was an issue around timing. Just because there is excess capacity doesn't mean we can't do harm. The group worked so hard to bring everyone together and make decisions without undermining the quality of education. Brigid Nease said the dilemma is not going to go away. We can fully expect something next year. We learned a very hard lesson that if you do the initiative voluntarily, and others don't, we could have some significant cuts. We would have had to cut 17 teachers if we level funded. From the last time we level-funded, we are still trying to catch up. If there's going to be an effort to level fund, then everyone needs to do it. Maureen McCracken said as we are all coming from different starting points, it can be very debilitating.

Steve Magill from Moretown said it behooves the Board to have good communication. The annual report is a good report. He said there are people who do not know we are saving money, do not know about Act 46, etc. He would like to have annual reports be mailed to people. Some people with mailing addresses that are not part of the six towns did not receive a notice of availability. Sending a link is difficult for some people to read. He asked that they find a way to get these available to people. Mr. Trezise from Fayston said too many people are disengaged. People are being notified where it can be obtained and people can download it.

Jon Jamieson from Waitsfield talked about enrollment. It drives spending, but we have to remember the place we live in and some of us travel. Some places it's a lot lower, but put it in context to communities that have easy access to the school. For a student who needs specialized help, you have to do it, and it costs a lot of money. From a business person's viewpoint, be aware that this number is the nature of living here. He personally thinks school consolidation is a great move, which supports students.

Alan Hartshorn from Warren asked if there were shop classes. Brigid Nease said there is a STEM program at Harwood, and the students can also go to Barre Tech. Mr. Hartshorn asked if it would be a good idea to have a class at Harwood that they could attend. Alycia Biondo said they have talked about it, utilizing buildings if we had to shift things around. Rosemarie White said maybe we could investigate utilizing help from Yestermorrow to bring it back here. We are hopeful that we can offer more in the future.

Motion was approved.

ARTICLE IV: To fix the compensation to be paid to the District Officers for the ensuing year.

Rosemarie White moved that the compensation to district officers be as follows: board members to receive \$500 each annually, moderator \$100 annually, treasurer \$1000 annually, and clerk \$100 annually. Heidi Spear seconded. Scott Mackey from Waterbury pointed out that the board amount is the same as when he was a board member in 2002. Does it make sense to at least provide some sort of token increase to \$750 for the board members now that we are doing away with seven boards and going to one? He believes the pay should at least cover their expenses. Scott Mackey moved to amend the motion for the amount being paid to board members to \$750 each annually. Laura Caffry seconded. Arthur Trezise asked why we don't increase all jobs by 25%. Alycia Biondo asked if we talked about giving more for the chair and vice chair and if that should be considered. It was suggested giving \$700 for the chair and vice chair and \$500 for other board members. Steve Magill moved to amend the amendment to increase the chair and vice chair amount to \$950 and other board members to \$750. Scott Mackey seconded. Jeff Kilgore called for the vote on the amendment to the amendment to pay \$950 to the chair and vice chair each annually and the other board members \$750 each annually. All in favor. As result of the amendment to the amendment, it has essentially done away with the first amendment. Now discussing amended motion: Motion that the compensation to district officers be as follows:

- Board Chair \$950
- Board Vice Chair \$950
- Board Members \$750 each
- Treasurer \$1000
- Clerk \$100
- Moderator \$100

Motion was approved.

ARTICLE V: To authorize the Board of School Directors to retain a licensed public accountant to examine the accounts of the District Treasurer and Board of School Directors as of June 30, 2018.

Rosemarie White moved to authorize Board of School Directors to retain a licensed public accountant to examine the accounts of the District Treasurer and Board of School Directors as of June 30, 2018.

Maureen McCracken seconded. Motion was approved.

ARTICLE VI: To authorize the Board of School Directors to borrow in anticipation of the receipt of taxes and other revenue.

Jim Case moved to authorize the Board of School Directors to borrow in anticipation of the receipt of taxes and other revenue. Alex Thomsen seconded. Motion was approved.

ARTICLE VII: To act by Australian ballot the following proposition: "Shall Harwood Unified Union School District establish a capital repair, replacement, and maintenance reserve fund under the provisions of 24 VSA s2804, and to appropriate thereto the aggregate balance of all forming district fund balances as of June 30, 2016 received on July 1, 2017?"

This article will be voted on tomorrow by Australian ballot. Jeff Kilgore called for any discussion. Steve Magill said he thought we said earlier that we would not take the maintenance reserve funds from the schools. Michelle Baker said this is the general fund balances, not the maintenance reserve funds for each school. Scott Mackey asked what the respective balances were. Is there some sort of fairness of these FY'16 balances? Some schools had no fund balance, and some did. The Board thought it was prudent to put the \$500,000 for maintenance reserve from the fund balances from all schools. If this is voted down, there would be a return to the towns, but there would be no maintenance reserve for HUUSD. We cannot give the towns back their money; it has to come to the new district. Alex Thomsen said when districts came together, they all had pluses and minuses, so it is difficult to pick out one piece. They are trying to think as one group, not as six individual ones.

ARTICLE VIII: To act by Australian ballot on the following proposition: "Shall Harwood Unified Union School District adopt a budget of \$36,294,313 for the school year commencing July 1, 2017?"

This article will be voted on tomorrow by Australian ballot. Jeff Kilgore asked if there was any discussion on this ballot item. Someone asked if as long as we have voted in increases for the board members, would we have to change that budget number? Michelle Baker said the number cannot be changed as it has been warned. Adjustments will be made to the budget in order to keep the number in the article. Laura Caffry asked if we haven't negotiated with staff yet, how will we know how much to allow? Michelle Baker and Brigid Nease explained that place holders are put in the budget for such items. We would then true up, reconcile and make changes in line items. Brigid Nease said she is not concerned that changes cannot be made.

No other business was transacted.

There being no further business, Jeff Kilgore recessed the meeting at 7:25 p.m. until tomorrow, March 7, 2017 at the usual polling places in each town. Ballots will be cast for Articles VII and VIII, and transported to Harwood Union High School where they will be commingled and counted by board of civil authority members.

Respectfully submitted,
Laura Titus, Clerk, Harwood Unified Union School District

On Tuesday, March 7, 2017, Town Meeting was held in each of the six District towns, where Articles VII and VIII were voted on by Australian ballot. The ballots were brought to the Harwood Union High School and commingled. The number of ballots cast in each town was:

Duxbury	209	Waitsfield	469
Fayston	163	Warren	263
Moretown	355	Waterbury	727

The results of the vote on March 7, 2017, are as follows:

ARTICLE VII:	Yes	1,642
Maintenance	No	508
Reserve	Blank	31

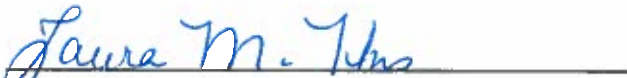
ARTICLE VIII:	Yes	1,381
Budget	No	772
	Blank	28

A true record of the proceedings, approved at a meeting of the Harwood Unified Union School Board on 3/22/17, 2017, and authorized to have Chair sign on behalf of all board members.



Christine Sullivan, Chair
Harwood Unified Union School Board

Received and recorded this 30th day of March, 2017.



Laura Titus, Clerk
Harwood Unified Union School District