

**Minutes of the Isle La Motte School District Annual Meeting
February 28, 2015 at the Isle La Motte School**

Those in attendance:

School Moderator Rustam Spaulding, School Directors Barbara Callahan, Louise Koss and Jen Rafferty, Town Clerk Betsy Howland, about 45 other legal voters of the Town, School Principal Edorah Rubin, Superintendent Robert Phillips and Business Manager John Gifford.

Moderator Spaulding opened the meeting at 11:45am.

He asked the attendees to authorize those present and not on the checklist to speak. This was moved by Debbie Spaulding and seconded by Carol Stata. The motion passed. Spaulding read the warning and turned the meeting over to School Board Chair Barbara Callahan.

Article 1. To hear and act on the reports of the Town School District officers as published in the Town Report.

Barbara Callahan, with assistance from Edorah Rubin, Bob Phillips and John Gifford, presented a slide show and report on school issues and the proposed FY16 budget.

Standing Seam Roof:

In 2012 a standing seam roof was installed. The roof has a life expectancy of 70-80 years. The loan on the roof will be paid off this coming July. The new roof helped to make the decision to install solar panels attractive because the panels attach directly to the seams of the roof, thus reducing installation cost. A five year maintenance plan is in place for the school building.

Solar Project:

The solar array has been in operation since July 2013. The revenue generated during the fiscal year was \$9,619, somewhat less than the projected \$10,000, probably due to winter weather conditions.

Annual Yearly Progress:

Edorah Rubin took the opportunity to recognize five members of the school team who have passed away: Grandpa Ray Bruley, custodian Tim Kelly, former teacher Diane Creller, substitute teacher Jeannine Laurin, and George Nelson from the GISU office.

She continued with an update on the No Child Left Behind mandate. A standard federal test is given annually to chart the progress of students in grades 3-6. This past year Isle La Motte failed to meet the progress goals for the first time. However 96% of Vermont schools also failed, probably because of the new requirement that every student in every school meet the standard of the test regardless of ability or disability.

Actually, our students are doing well and have a good learning environment and a strong, caring faculty. The average age of the student body is 6 ½. The younger ones are able to learn well from the older students. Residents are welcome to visit the school when it is in session by calling for an appointment.

Previous Budget Deficits and Cash flow issues:

Barbara explained the factors that resulted in the high residential education tax rate for this past year. In the category of secondary tuition, one student was overlooked and five students moved into the town during the year. The total extra expense was about \$45,000. In the category of special education, a \$60,000 accounting error was made and special ed. reimbursement from the state was down considerably. The combined effect was a \$125,000 special ed. shortfall. In the category of FY13 budget deficit, there was an unexpected shortfall of \$56,000. This \$56K was completely absorbed in the increased tax rate last year and we began FY2015 with no carry forward deficit.

John Gifford stressed that the budget problems were not due to overspending, but to loss of revenue. In spite of the increased secondary tuition, the budget overall was underspent by \$24,552. However, the overall revenue shortfall was \$121,130.

All of these factors together caused a cash shortfall earlier than usual in the fiscal year. The school district ran out of money in May 2014. \$250,000 was borrowed to cover the school expenses from May until tax revenue was received in August 2014.

The audited budget deficit for FY14 was \$155,528. \$100,000 has been paid back on the loan. We are planning to have the entire amount paid back by June 30, 2015, so that the proposed FY16 budget has no deficit brought forward.

Insurance Claim Possibilities:

Bob Phillips spoke about the possibility of making an insurance claim for the \$60K accounting error that helped to push the Town over the spending threshold and resulted in the penalty that was a factor in raising taxes.

The GISU insurance company was contacted about the error in anticipated Special ed. revenue made by the former business manager. An incident report was filed by the insurance company VSBIT. No further action will be taken unless a claim is filed against the school district by a third party. The School Board is not a third party.

Proposed FY16 Budget:

The proposed budget of \$1,229,347 is a 4.93% increase over the previous year. The estimated homestead tax rate based on this budget is 1.8024, a decrease of 40 cents from the previous year. This figure is subject to change. The FY16 budget serves 62 students from pre-K through high school. Pre-K to grade 6 expenses are 53% of the proposed budget. The school is staffed by 13 licensed individuals, including three full time teachers and a variety of part time teachers for a combined total of 4.9 FTEs. In addition there are 6 support employees. Middle school, high school and special education are expenses that the town has no control over. These costs represent 45% of our budget. John Gifford explained how the education tax rates are calculated by the State. The estimated non-residential education tax rate for next year is 1.5797 (down about 1 cent).

Future Plans:

Bob Phillips spoke about collaboration and consolidation initiatives that could reduce education spending. Isle La Motte, Grand Isle and North Hero school districts have formed a community committee to look into the governance, legality and costs of a joint middle school, of sharing staff and/or students, and of joint bulk purchasing. Sylvia Jensen and Art Larvey represent Isle La Motte on the committee. Grant funding has allowed the hiring of a coordinator, Michael Dewees. The committee issued a report to the School Boards in February. Positive action before July 2017 is important to avoid coercive action by the State.

In addition, Carol Stata spoke about the Education Advisory Committee that has been helping the ILM School Board by researching secondary education choices. Carol, Pat Treckman, Paul Hinman, Sharon Hinman, Cathy Tudhope, Wade Lockerby and Real Duteau serve on the committee, which was formed in November 2014. The committee will remain in place until March 2015, when the need will be re-assessed by the School Board.

Non-Binding Referendum Votes:

Barbara explained that the two non-binding votes on the warning for 3/3/2015 are designed to provide suggested direction to the School Board. The voting does not commit the Board to any action. Any future action on the matters could only be decided by the voters at a future meeting.

Discussion ensued after the School presentation.

Discussion topics:

1-History of and guidelines for Special Education. Discussion participants: Beverley Camp, Bob Phillips, Jane Zera, Diane Brennan, Paul Zera, Sylvia Jensen, John Gifford.

There is rigorous control over Special Education processes and spending at the state and local levels.

2-Cost savings if any from closing the elementary school. Discussion participants: Sylvia Jensen, Louise Koss, Maureen Turner, Cathy Tudhope, Carol Stata, Debbie Spaulding, Joyce Tuck.

There are many factors that might affect any cost savings realized from closing the school. The outcome is hard to predict.

3-Budget controls and tax rate. Discussion participants: David Gadway, Bob Camp, Louise Koss. Middle, high school and special education tuition are expenses the town has no control over.

4- Insurance settlement. Discussion participants: Sylvia Jensen, Bob Phillips, Louise Koss.

Louise Koss, as an individual taxpayer, is organizing a 3rd party of homestead tax payers to bring an insurance claim. To date 35 of a potential 178 accounts are participating.

Article 2. Will the Town School District authorize the School Board to borrow in anticipation of taxes?

Motion by Debbie Spaulding to move to the floor, 2nd by Carol Stata.

Motion by Maureen Turner to approve the article, 2nd by Selby Turner, all voted in favor.

Article 3. To transact any other business proper to come before this meeting and to discuss any article to be voted upon by Australian ballot on Tuesday, March 3, 2015.

There was no further discussion.

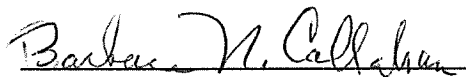
Article 4. Adjourn

Motion by Debbie Spaulding to adjourn at 1:20 PM, 2nd by Betty Lockerby, motion passed.

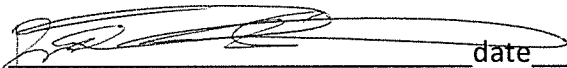
Respectfully submitted,

Betsy Howland, Town Clerk

These minutes are approved by:

 date 4/15/15

Barbara Callahan, School Board chair

 date 3-18-15

Rustam Spaulding, School Moderator

Note: Before the School District meeting was called to order, Representatives Mitzi Johnson and Bob Krebs made their annual Town Meeting Report to the voters. They touched on creating a sustainable budget, an education funding reform bill, and initiatives to improve water quality in Lake Champlain. There was a question about the legalization of marijuana. They had copies of their written report available.

Kris Luce, Rusty Spaulding, Maureen Turner and Bill Howland joined in the conversation.