

VASBO Meeting
June 12, 2015
Bennington Battle Room
Equinox Resort
Manchester, VT

Present: See Attached.

Rick Pembroke called the meeting to order at 9:43am.

Announcements

None

Secretary's Report

April 2015 Minutes – Motion was made and seconded, approved by voice vote

May 2015 Minutes – Motion was made and seconded, approved by voice vote

Treasurer's Report

A motion was made and seconded. No discussion, motion carried by voice vote.

FY 16 Budget – A motion was made to accept a budget amount of \$15,910, it was seconded – No discussion motion carried by voice vote

FY 16 Dues – A motion was made to set the member dues for FY 16 to \$125.00, association dues to be set at \$100.00 it was seconded No Discussion – motion carried by voice vote.

Committee Reports

Certification – Handed out recertification's those were approved.

Website Committee – Send draft RFP's to Grant and he will post them to the website as a resource

Tri-State – The survey is out, Next year (FY16) will be held at Mount Washington in New Hampshire

UPDATES

Brad James – **AOE** – Forwarded on a message from Nicole, SEERS are due August 3rd.

Read a Memo from Kathy Flannigan regarding insurance certificates for all state grants, in FY 17 the AOE will no longer be advancing grant money, grants will be going to monthly reporting, he said that he would forward it on to all business managers.

ACT 46 – Preferred structure is a single PK-12 Supervisory District. The accelerated dates for merger incentives are as follows – Approval by 7/16, operational 7/17

Cheryl Scarzello – **VASBO** – Spoke about her meeting with Sec. Holcombe, it is very important to get accurate and coherent information out to the taxpayers regarding consolidation

Beth Pierce – **State Auditor** – Presentation regarding Teachers Retirement reporting and any updates.

Steve Hier – **Recognition Committee** – Year end presentations for recognition

Election of officers as presented – motion was made and seconded – No discussion motion carried by voice vote

Future Meeting agenda items:

1. Teachers Retirement - clarification regarding what does and does not qualify (ie. Stipends, summer work, etc.)
2. Framework of discussion on internal financial controls checklist – 16 VSA 242a

Meeting was adjourned at 12:30pm

Respectfully submitted by Tonia Mears

VASBO Proposed Slate of Officers Fiscal Year 2015-2016

- **President** Cheryl Scarzello

Cheryl is the Business Manager for Rutland Central Supervisory Union. She has served in the role of School Business Manager for 7 years and previously worked in the private sector in a similar capacity. She has met the requirements for certification by VASBO, and is currently certified. Cheryl is currently serving as VASBO's President Elect.

- **President-Elect** Laura Jakubowski

Laura is the Director of Finance at the Addison-Rutland Supervisory Union. She has served in this role for 20 years and prior to that was the Assistant to the Business Manager for 4 years. She has met the requirements for certification by VASBO, and is currently certified.

- **Vice President** Steve Hier

Steve is the Business Manager for the Springfield School District. He has served in this role for 35 years. He has only a vague memory of what he did prior to that. Steve has met the requirements for certification by VASBO, and is currently certified. Steve has previously served VASBO as President twice before.

- **Treasurer** Heather Wright

Heather is the Business Manager for Orleans Central Supervisory Union. She has served in her role as Business Manager for 7 years and previously worked in SU/Business Office & Municipal Office settings for 6 years. Heather has met the requirements for certification by VASBO, and is currently certified. Heather is currently serving as VASBO's Treasurer.

- **Secretary** Tonia Mears

Tonia is the Business Manager for Addison Northwest Supervisory Union. She has served in the role of School Business Manager for 1 year and previously served as School Business manager for Windsor Northwest Supervisory Union for 2 years. Tonia has met the requirements for certification by VASBO, and is currently certified. Tonia is currently serving as VASBO's Secretary.

There are two sets of incentives in Act 46 (H. 361). The first is for accelerated mergers of SUs to SDs (sec. 6) and the second is for non-accelerated mergers of SUs to SDs (sec. 7). In both sections, the incentives are available only if all the SU member districts merge to form an SD. The following is a brief overview of how the incentive tax rates will work.

Sec. 6 is the accelerated merger section. Member districts must have had a positive vote before July 1, 2016 and the new district must be operational by July 1, 2017. The new entity has a 5-year tax rate incentive, with the rate reduced by 10 cents in year 1, 8 cents in year 2, 6 cents in year 3, 4 cents in year 4, and 2 cents in year 5.

Assume the new merged entity has an equalized tax rate of 1.50 and you have three towns with prior year equalized rates of 1.60 (Town A), 1.45 (Town B), and 1.20 (Town C). The incentive language is written so that towns with rates higher than the incentive rate drop to the incentive rate in year 1, but do not necessarily rise to it if they have a lower rate. A town can only see a tax rate increase of 5.0% in any of the 5 years of the tax incentives, until it meets the incentive rate or the five year incentive period is over, whichever comes first.

Rate for new accelerated entity = 1.50

$$\text{So, } 1.50 - 0.10 = 1.40$$

That is the target rate, the incentive rate.

Rate for Town A = 1.40

Rate for Town B = 1.40

The increase to the target rate for Town C is greater than 5.0 %, so:

$$\text{Rate for Town C} = 1.20 \times 105\% = 1.26$$

Sec. 7 is for non-accelerated mergers. Member districts have to have had a positive vote on or after July 1, 2015 and the new district must be operational after July 1, 2017 but on or before July 1, 2019. The new entity has a 4-year tax rate incentive, with the rate reduced by 8 cents in year 1, 6 cents in year 2, 4 cents in year 3, and 2 cents in year 4. Unlike towns in an accelerated merger, tax rates for towns in the non-accelerated mergers can neither increase nor decrease by more than 5.0% until the rates meet the incentive rate or the four year incentive period is over, whichever comes first.

Using the same scenario as above:

Rate for new non-accelerated entity = 1.50

$$\text{So, } 1.50 - 0.08 = 1.42$$

That is the target rate, the incentive rate.

Town C = same as above, with the rate being 1.26.

Town B = 1.42 (change from 1.45 to 1.42 is 2.1%)

Town A rate decrease to 1.42 is greater than 5.0%, so:

$$\text{Town A} = 1.60 \times 95\% = 1.52$$

Simple, right?

Sign-in

6/12/15

Garen Atwood	Windham Southwest
Victor "Bud" DeBonis	Windham Central
Teresa Taylor	Hartford S.D.
Grant Geisler	Chittenden Central SU
Christina Kimball	WNESU
Eddie Joe Cole	LEWESU
Cheryl Geangelis	RCSU
Shel James	AE
Jaura Jakubowski	Addison-Rutland SU
Rick Pembroke	Southwest VT SU
Dion Paulson	Rivendell
PETER ATONS	RUTLAND CITY
Don Johnson	Milton ST
Andy Aunggen	LSSU
Martha Wagner	FCSU
EDEN HIER	SPRINGFIELD
Joe Wilborn	BSU
Richard Seaman	Windsor Central
Stan Pawlarczyk	RSSU
Elam Trechelt	BVSU
BOB MASON	CSSU
DAVID LARCOMBE	ORleans SW