

APPROVED

HOLLIS BROOKLINE COOPERATIVE SCHOOL DISTRICT BUDGET COMMITTEE

A regular meeting of the Hollis Brookline Cooperative School District Budget Committee (BC) was conducted on Thursday, May 28, 2020 at 6:30 p.m. at the Hollis Brookline Middle School.

Members of the Committee Present:

Darlene Mann, Chair

Members of the Committee Participating Elect.:

Raul Blanche, Vice Chair
Tom Enright
Matt Maguire, Secretary
Brian Rater
Lorin Rydstrom
David Blinn
Cindy VanCoughnett

Members of the Committee Absent:

Also Participating Electronically:

Kelly Seeley, Business Administrator

Darlene Mann called the Meeting of HB COOP BC to order at 6:34.

In accordance with [NH RSA 91-A:2, III \(b\)](#), due to the COVID-19 / Coronavirus crisis, and in accordance with Governor Sununu's Emergency Order #12 pursuant to Executive Order 2020-04, this committee is authorized to meet electronically.

Committee members and members of the Administration were participating via Zoom.

All members participating electronically could be heard and all votes would be taken by Roll Call.

AGENDA ADJUSTMENTS

None

PUBLIC INPUT

None

Approval of Minutes

Postponed to next month's meeting.

DISTRICT MEETING UPDATE

The BC engaged in discussion on the plans for the District Meeting. The District meeting will consist of two parts, the first part will be a ZOOM meeting on June 4th that will focus on the rules and then on June 6th the District will have "drive-through" voting. The BC was provided notes on the preliminary rules as part of the agenda material on the two parts of the meeting. The preliminary rules were discussed:

1. The zoom meeting will be focused on the rules of the meeting. Regarding the actual warrant articles, the public will be directed to already existing presentations available from our public hearings and on the website.
2. The drive-through voting will take place on June 6 and there will be two "loops" to address traffic concerns. One loop will be at the middle school and the other will be at the high school. Therefore there will be two ballot boxes. The Brookline voter will go in one loop, the Hollis voter in the other.
3. Voters will be able to print their ballot at home, but a town clerk or moderator will collect their ballot and put it in the box to make sure that no one adds an extra ballot into the box.
4. The first "question" will be a statement that allows the voter to agree or disagree with the process. This has been done in Bow and other towns without incident. A draft of that statement and all procedures will be available soon.
5. If the first question fails, the meeting will recess, and there will need to be an alternate plan of action.
6. If the budget fails, the meeting will recess, and there will need to be an alternate plan of action on the budget.

7. The volunteer counters will count in the mini-gym at the middle school and the counting will be live-streamed, after voting is terminated at 3:00pm on June 6th. The announcement of the vote results will take place during that live streaming session and the moderator will adjourn the meeting after all counting has been completed.

8. The June 6th drive through meeting will run from 10am-3pm. If a car is in line prior to 3pm, they will still be able to vote even if it takes past 3 to get them through the line.

The School Board will be assisting the drive through voting on June 6th. Drew Mason has requested volunteers to help with the counting of the ballots. To be a volunteer counter, you must be a registered voter.

Information on the Budget and Warrant Articles is available on the SAU41 website:

- Public Hearing PowerPoint presentation. The public hearing presentation has approximately 95% of the information that would have been presented at a traditional district meeting. The presentation for the district meeting would have included a couple of additional slides.
- MS-25 (School Financial Report)
- District Report Card

A question was asked if amendments or discussion would be allowed at the zoom meeting. Unfortunately, given the format of the meeting neither would be allowed. The district legal counsel has vetted the plans. It was also noted that several other school districts have held a similar approach for their district meetings.

FINANCIAL UPDATE

Kelly Seeley provided the BC with an update on the financial status of the district. The finances are in a similar place as last month.

The School Board and the administration is still working on the transportation contract with STA (Student Transportation of America). An agreement was reached that will provide the district with a 45% discount for May and June. The final numbers are still being worked out.

The BC asked if STA bills the district by the month. The answer was the total cost is divided into 10 payments.

The ESY (Extended School Year) program was discussed. The governor issued a new order (COVID Related) that will impact the program and the district needs to go back to the drawing board for the planning and then implementation of the program for the students with IEPs (Individual Education Plan) is also unclear if some of the expected compensatory service expenses will be in FY20 or FY21. FY20 would be preferred for encumbering the expense. In some cases, it may not be known until August what some of the students will require. In that case the expenses would be incurred in FY21. The new order from the state will impact all students with IEPs and there is a lot of work to do in very little time to review all IEPs and update as needed.

The BC engaged in discussion on the reopening plans for the schools in the fall. Additional expenses are expected in the fall. The district has started to purchase and stock up on the PPE (masks, gloves...) that will be required. The SAU administration is starting to work on a framework for the re-opening. More info is expected in the coming weeks on the re-opening plans.

The BC asked a question on the UFB (Unreserved Fund Balance) that was in the FY20 Update from the May 13th Draft SB minutes (Page 12). In the SB minutes it was reported that if the Fiscal Year were to close and all adjustments were made, that would be over a million dollars returned to the taxpayers. There are a lot of unknowns at this point and we will not know the final numbers until September. Compensatory Damages and PPE are expected to have an impact on the budget. The Fiscal Year will close on 6/30 and September will be the most likely timeframe to have full financial results.

The BC commented that the original projection from last month's meeting was approximately \$500k to \$600k to be returned to taxpayers and asked if that number was expected to now be \$1M based on the information in the SB minutes? On the day of the school board meeting the UFB was ~ \$1M, but there is a lot going on with revenue and expenses and that number will change.

FY21 UFB expected to be ~ \$200K.

As part of the agenda material, the BC was provided with a historical table for the UFB. The discussion shifted to the information in the table:

Unreserved Fund Balance Summary - COOP

Nominal \$, not adjusted for inflation

	UFB (in \$k)	Hollis %	Hollis UFB (in \$k)	Hollis Tax Base (in \$k)	Hollis Tax Rate Impact/k	Savings per Avg Home (\$450K)	Brookline %	Brookline UFB (in \$k)	Brookline Tax Base(in \$k)	Brookline Tax Rate Impact/k	Savings per Avg Home (\$350K)
FY10	\$ 512.4	60.34%	\$ 309.2	\$ 1,238,143.0	\$ 0.25	\$ 112.37	39.66%	\$ 203.22	\$ 575,198.9	\$ 0.35	\$ 123.66
FY11	\$ 177.9	59.35%	\$ 105.6	\$ 1,241,291.2	\$ 0.09	\$ 38.28	40.65%	\$ 72.32	\$ 580,174.4	\$ 0.12	\$ 43.63
FY12	\$ -	57.77%	\$ -	\$ 1,242,068.8	\$ -	\$ -	42.23%	\$ -	\$ 587,415.0	\$ -	\$ -
FY13	\$ 172.7	57.32%	\$ 99.0	\$ 1,256,195.7	\$ 0.08	\$ 35.46	42.68%	\$ 73.71	\$ 591,633.2	\$ 0.12	\$ 43.60
FY14	\$ 164.1	55.53%	\$ 91.1	\$ 1,180,252.0	\$ 0.08	\$ 34.74	44.47%	\$ 72.98	\$ 491,925.0	\$ 0.15	\$ 51.92
FY15	\$ 294.3	53.64%	\$ 157.9	\$ 1,189,860.5	\$ 0.13	\$ 59.70	46.36%	\$ 136.44	\$ 499,992.3	\$ 0.27	\$ 95.51
FY16	\$ 352.8	55.15%	\$ 194.6	\$ 1,196,382.4	\$ 0.16	\$ 73.18	44.85%	\$ 158.23	\$ 507,015.9	\$ 0.31	\$ 109.23
FY17	\$ 758.3	53.05%	\$ 402.3	\$ 1,203,745.3	\$ 0.33	\$ 150.38	46.95%	\$ 356.02	\$ 514,181.2	\$ 0.69	\$ 242.34
FY18	\$ 462.7	52.18%	\$ 241.4	\$ 1,205,518.0	\$ 0.20	\$ 90.12	47.82%	\$ 221.26	\$ 523,265.2	\$ 0.42	\$ 148.00
FY19	\$ 489.8	52.36%	\$ 256.5	\$ 1,349,015.2	\$ 0.19	\$ 85.55	47.64%	\$ 233.34	\$ 653,066.3	\$ 0.36	\$ 125.06
FY20*	\$ 750.0	52.58%	\$ 394.4	\$ 1,361,648.9	\$ 0.29	\$ 130.33	47.42%	\$ 355.65	\$ 660,620.3	\$ 0.54	\$ 188.43
FY21*	\$ 200.0	52.74%	\$ 105.5	\$ 1,368,457.1	\$ 0.08	\$ 34.69	47.26%	\$ 94.52	\$ 668,261.6	\$ 0.14	\$ 49.50
Total	\$ 4,335.0				\$ 1.88	\$ 844.81				\$ 3.49	\$ 1,220.87

Unreserved Fund Balance = Unexpended budget \$ + overruns in Unassigned revenue less approved payments to retained/trust (Athletics)/special funds (facilities maintenance, Special Education)

Percentage distribution between Hollis and Brookline based on apportionment distribution

*Estimated UFB: FY20 TBD pending June results; FY21 UFB based on budget assumption

5/27/2020

COOP BC Working Document

As previously discussed, there are a lot of unknowns, and the FY20 UFB number may be closer to the \$750k range. The amount is expected to be more than what we thought in April and probably not as high as the May estimate (\$1M).

It was noted that the table is not adjusted for inflation. An Unreserved Fund Balance is made up of two parts – the budget underruns and revenue overruns (that are unassigned). The UFB balance is the balance after funds are moved to the various trusts that were approved by the voters. It was noted that NH is the only state that does not allow a school district to keep the money in the UFB. In NH the balance must be returned to the taxpayer.

The district also has a retained fund. A retained fund is the only school district fund that can keep a % of the UFB. The state of NH allows a district to keep 2.5%, SAU41 has a 1% max that was voted in for what can be kept from the UFB and added to the retained fund balance. It was noted that the retained fund additions come out of the UFB.

Every Year the district returns funds to the taxpayer. The returned funds are not directly seen in the tax bills. The funds are used to reduce the tax rate, which results in less money having to be collected from taxes.

FY19 was used as an example. The district returned \$489.8k to the taxpayer. This resulted in the Hollis Tax Rate being reduced by \$0.19/\$1K and Brookline's Tax rate being reduced by \$0.36/\$1K. Regardless of what is seen on social media, every year the district returns the UFB to the taxpayers.

The district is looking to refinance the bond for the turf field and the administration is in the process of getting quotes. The current interest rates are significantly less than the current rate. The current interest rate given to the district for the turf field was not available during the meeting, but the BC believes it is in the 3.5% to 3.8% range. The Hollis District recently investigated the new available rate of bonds for a project and the rate was 1.82%.

Private loans are being investigated and RFPs have been sent out. RFP responses are expected back next week. The Bond bank is currently very volatile. The plan is to get the information on the rates/cost for a private loan and if the private route is attractive the private loan could be pursued. If the private loan is not attractive the Bond bank can be used in December. The estimated fees to for obtaining a private loan would be about \$1,500.

SCHOOL BOARD UPDATE

The May school board meeting was short. Topics included:

- Transportation contract
- Graduation to take place on lacrosse field. Social distancing will be maintained with the field divided into "pods" for the Graduates and 2 family members per student.
- The donation for the field lights was accepted.

- Bleachers were approved. Booster club and HB Elevates will purchase used bleachers for \$105k, installed (~ seating for 1000). This includes \$17k for a press box. The original price was \$85k. The other two bids for bleachers were in the \$300k range. The boosters have ~40k and HB Elevates has \$150k.
- Score board is on order (This is part of the original contract)

There was some discussion and questions regarding, if any donations have been applied to reduce the bond. To date all the donations have been slated for specific uses by the donors that do not include reducing the bond principal. It is expected that there will be some leftover funds when all is said and done with the field. There may be an option to use leftover funds once the field is complete to go towards the bond.

ANNOUNCEMENTS

Next BC Meetings will be 6/25.

PROCESSOR OBSERVER

“Excellent Meeting”

ADJOURNEMNT

Motion by member Blanche to adjourn

Member Blinn seconded.

A Viva Voice Roll Call was conducted, which resulted as follows:

Yea: Tom Enright, Matt Maguire, Brian Rater, Lorin Rydstrom, Darlene Mann, Raul Blanche, Cindy Van Coughnett, David Blinn

8

Nay:

0

MOTION CARRIED

Meeting Adjourned at 7:23

Video Archive of Meeting: <https://www.youtube.com/watch?v=VH0u39Q-hQ8>