

# 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, June 25, 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.:**

Matt Maguire, Secretary

Brian Rater

Lorin Rydstrom

David Blinn

Cindy VanCoughnett

**Members of the Committee Absent:**

Raul Blanche, Vice Chair

Tom Enright

**Also Participating Electronically:**

Kelly Seeley, Business Administrator

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Darlene Mann called the Meeting of HB COOP BC to order at 6:40.

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.

Chairwoman Mann was present at Hollis Brookline Middle School. The remaining committed members and members of the Administration were participating via Zoom.

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

## **AGENDA ADJUSTMENTS**

None

## **Approval of Minutes**

Hollis Brookline Cooperative Budget Committee ..... April 30, 2023

Motion by member Cindy VanCoughnett to accept, As Amended

Brian Rater seconded.

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

Yea: 6 (Matt Maguire, Brian Rater, Lorin Rydstrom, Darlene Mann, Cindy VanCoughnett, and David Blinn)

Nay: 0

Hollis Brookline Cooperative Budget Committee ..... May 28, 2020

Motion by member Lorin Rydstrom to accept, As Amended

Cindy VanCoughnett seconded.

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

Yea: 6 (Matt Maguire, Brian Rater, Lorin Rydstrom, Darlene Mann, Cindy VanCoughnett, and David Blinn)

Nay: 0

## **PUBLIC INPUT**

None

## **General Business**

The agenda for the June meeting was short. Typically for the June meeting the committee would engage in discussion and updates on items such as the Food service and the Superintendents initiatives for FY22. Due to COVID and the focus on closing out this year and planning for the fall, the committee will not cover those overviews this month. The committee will cover plans for FY21 in the fall.

### **HB Elevates**

Barbara King from HB Elevates was scheduled to attend the BC meeting, but she was unable to participate. The President of HB , Gerrell Smith, was also unable to attend. Chairwoman Mann read an email update from Barbara King:

Hi Darlene,

+Gerrell who is the new President of the HB Elevate Board.

I had a change in schedule so I can't attend tonight. I spoke to Gerrell and we agreed I would send the following as a follow-up to our conversation the other day. Gerrell is not able to attend either.

HB Elevate has seen the following donations resulting in \$555K raised through generous donors as of our meeting this month.

\$400K - Restricted for field lights and costs of installation. The donor just increased this to \$400K from an initial commitment of \$325-350K when the cost of the lights came in higher.

\$150K - Restricted for enhancements to the field, not the bond payments. Agreed upon to spend towards bleachers, press box and expenses for installing bleachers and other enhancements.

\$5K - Restricted to spend on STEM. Waiting for Andy to propose a STEM need for the fall. Last meeting could be how to execute STEM better in remote learning or computers for engineering classes, etc.

As we discussed the lawsuit caused a significant challenge in fundraising momentum post the field vote.

HB Elevate is a great mechanism to capture funds for projects and any specific asks for what the taxpayers see as "extras". We are excited about the community support provided to the field and this represents a great 34% ROI of community raised funds on the taxpayer investment raised in the vote. This is based on \$550K raised towards a field with a bond of \$1.6M (I don't have the final field cost.)

Let us know if you have further questions, this should answer your committee's questions and hopefully we get some great cheers for our generous donors.

Warm regards,  
Barbara

Chairwoman Mann discussed the conversation she had with Barbara King. The plan was to invite Barbara King to the meeting to discuss the fundraising to date and the donations received. HB Elevates feels the lawsuit resulted in a loss of momentum for fundraising. Currently there are no additional fundraisers planned. The lighting cost went up due to hitting ledge, the donor increased their donation for the lights to cover those additional costs, which was in the \$6k to \$7k range for the additional expenses.

Tom Solon is the COOP School Board rep on the HB Elevates Board.

Member Rydstrom asked if any funds were donated to reduce the bond. Chairwoman Mann indicated that there weren't any donations through HB Elevates that were earmarked for the bond. To date the donations through HB Elevates have been with conditions that the donation be towards specific items for the field.

Member Rydstrom expressed gratitude towards the donations for the directed field donations for the school district but has concerns that there have not been any donations that have gone towards the bond. The taxpayers were told that there would be donations that would go towards the bond. Chairwoman Mann indicated that directed donations cannot go towards something else. Member Rydstrom expressed concerns that the plan for donations were not represented correctly.

The BC engaged in discussions on the current status of the field. There are still some punch list items that need to be addressed. A final payment has not been made yet. The project did come in under budget. Any unspent funds could go towards the bond or returned. No discussions have taken place with the SB and administration. There is about \$70k in funds remaining.

The bond will be refinanced and there is a special SB meeting on Tuesday to finalize the bond. The bond is currently at a 3.8% interest rate and the refinance will drop it to a 2% rate. The bond will be a 10-year term but picks up where the current bond is at in the 10 year re-payment schedule. The estimated savings with the new rate will be \$15k to \$20K per year.

The BC engaged in the discussion on the expectation that the underrun should be returned to the taxpayers in some way. Either towards the bond or through unreserved fund balance. Any additional savings due to the interest rate should also be returned.

Member Blinn asked if the \$70K underrun and the interest savings over the years with the lower rate will offset the cost. The BC did discuss the lawsuit costs last year. The lawsuit delayed the bond which resulted in a higher interest rate. It was estimated that there were ~\$15K in attorney fees and the ROW fees for the access.

As discussed, the lawsuit also resulted in higher interest rate for the bonds. The interest rate now is lower than the rate that the district would have been able to get if the lawsuit delay did not occur. It is expected that some of lawsuit related costs will be able to be recouped with the re-finance. The district did end up going with a private lender for the bond. The private lender allows the district to refinance. Had the district gone with the bond bank the refinancing may not have been an option at this time. The closing on re-financing should be in the early July timeframe.

It was also discussed that donations will be more difficult now with the pandemic and a lot of people out of work. There are not any events planned for donations at this time. The discussion centered around the fact that HB Elevates fundraising events for donations would most likely be for specific items (like concession stand) for the field and not for donations to go towards bond reduction.

### **FINANCIAL UPDATE**

The BC engaged in discussion on the Expendable Trust Public Hearing information that was provided for the meeting that was held on 6/17/2020. Prior to the meeting, the information below from the expendable trust public hearing document was provided to the BC members. BA Kelly Sealy reviewed the information with the BC.

**Hollis Brookline Cooperative School District**  
**Expendable Trust: Public Hearing**  
**June 17, 2020**

**Maintenance Expendable Trust**

**Background**

Principals Rick Barnes and Tim Girzone identified several needed repairs/improvements for their respective buildings during the budget process. At the FY21 Budget Hearing, the Hollis Brookline Budget Committee recommended along with the Hollis Brookline School Board that the funding source for these particular items be the Hollis Brookline Maintenance Expendable Trust.

**FY21 Requested Items/Estimated Cost**

<b>HBMS</b>	Asbestos Abatement	\$ 54,050 (clear building of asbestos)
	Roof Repairs	\$ 20,000 (repair chronic issues)
	Elevator Replacement	<u>\$ 43,000</u> (hold to combine with FY22 funds)
		<b>\$117,050</b>
<b>HBHS</b>	Roof Section	\$ 50,000 (Phase 3 of 10)
	Masonry Work	\$ 20,000 (associated with roof replacement)
	Plumbing Fixtures	\$ 5,000 (end of life for identified fixtures)
	Air Handling Upgrades	<u>\$ 10,000</u> (needed repairs/upgrades based on evaluation)
		<b>\$ 85,000</b>
<b>Total</b>		<b>\$202,050</b>

**Maintenance Expendable Trust Status**

Current Balance:	\$ 99,416
To be added in FY21:	\$ 200,000
FY21 Expenditures:	<u>\$(202,050)</u>
FY21 Ending Balance:	<b>\$ 97,366</b> (Anticipated)

**Special Education Expendable Trust**

There are no plans at this time to use any of these funds in FY21.

**Special Education Expendable Trust Status**

Current Balance:	\$ 180,073
To be added in FY21:	\$ 25,000
FY21 Expenditures:	<u>\$ 0</u>
FY21 Ending Balance:	<b>\$ 205,073</b> (Anticipated)

**Athletic Expendable Trust**

**Background**

The Athletic Expendable Trust is funded by parent paid athletic fees. The total fees collected in one year are sent to the Trust in the following year. An annual request and public hearing occurs each year to spend all or part of that allocation. This year's request is for athletic expenses that were assigned to the Athletic Trust Account via the budget process and are as follows:

**FY19/FY20 Request for Budgeted Purchases**

**FY19 Purchases-June**

	FY20	Actual	
	Budget for	Costs	
	Athletic Trust		
Description	Reimbursement	June 2019	Balance
Field Maintenance		\$1,164.71	
Equipment Repair		\$2,599.00	
Transportation		\$579.60	
Awards		\$456.28	
Replacement Equipment		\$472.44	
June 2019 Total		\$5,272.03	
<b>FY19 in Total</b>	<b>\$67,000.00</b>	<b>\$65,268.77</b>	<b>\$1,731.23</b>

**FY20 Purchases July - May**

	FY20	Actual	
	Budget for	Costs	
	Athletic Trust		
Description	Reimbursement	July - May	Balance
Field Maintenance	\$3,500.00	\$1,825.00	\$1,675.00
Transportation	\$4,300.00	\$3,760.93	\$539.07
Athletic Balls	\$7,448.00	\$7,448.00	\$0.00
Training Supplies	\$4,257.50	\$3,142.44	\$1,115.06
Athletic Supplies	\$2,071.00	\$2,069.29	\$1.71
Awards	\$5,010.00	\$3,003.55	\$2,006.45
Uniforms	\$19,445.21	\$18,548.29	\$896.92
Addl Equipment	\$1,000.00	\$1,000.00	\$0.00
Replacement Equipment	\$9,543.29	\$9,543.29	\$0.00
Dues and Fees	\$10,425.00	\$9,979.00	\$446.00
<b>FY20 Total Thru May</b>	<b>\$67,000.00</b>	<b>\$60,319.79</b>	<b>\$6,680.21</b>

Total Requested: \$60,319.79 FY20  
\$ 5,272.03 FY19  
\$65,591.82

**Athletic Expendable Trust**

Current Balance: \$ 104,098  
FY19 Jun Expenditures \$ (5,272)  
FY20 Expenditures: \$ (60,320)  
To be added in FY21: \$ 40,390  
FY21 Expenditures: \$ (67,000) per FY21 Budget Documents  
FY21 Ending Balance: \$ 11,896 (Anticipated)

Chairwoman Mann asked if the maintenance work was being performed over the summer. BA Seely said yes but was unsure if the roof work was taking place over the summer. It was noted that the scheduled paving was in budget and would also take place over the summer.

The Athletic Trust was the next topic of discussion. The Athletic Trust FY19 purchases through June are \$65,268. This is the amount that was budgeted and spent. The amount requested was \$65,268 - \$5,277 at public hearing last year in May. The \$5,277 was carried over from after the public hearing from the previous year. At the time of the public hearing last year the month of June was not closed out. The timing of the public hearings from year to year results in some of the funds being requested during the following years public hearing. The public hearing is typically in late May or early June which is prior to June closing and end of the fiscal year.

FY20 is July through May. For the amount of funds that would be added in FY21, an up to number \$67k was identified to be added and moved to the athletic expendable trust. This year we are in the \$40K range due to the lack of collection of the spring sports pay to play fees since there were not any spring sports.

The district had budgeted \$67K but will only have ~\$11,896 at end of next year. The SB discussed weather to make a shift of some these expenses to the general fund. The SB decided to leave it as is.

The Athletic Expendable Trust is handled differently, everything is budgeted for items into the trust, then after it is spent the approval is requested. If it were not approved the money would have to come from the general fund.

The Athletic Trust was created 6 or 7 years ago. The trust is to provide a place to keep the fees for pay to play. This allows a place to track them and they can be used directly for Athletics. If the district were unable to track the athletic trust funds, any remaining funds would have to be returned via the unreserved fund balance. Unspent funds in the trust are meant to be applied to athletics. The expectation of the trust was that money in = money out. The trust could also help with the unexpected athletic related items as well as equipment purchase, transportation, and NHIAA dues. The trust was not intended to be a savings account. This was to ensure money that went to athletics via pay to play fees would go only towards athletics. Over the years a balance has formed, partially due to the fact that there have not been any major expenses.

There was some discussion related to the athletic trust centered around the fact that the funds in the trust are from the pay to play fees that parents/student paid out of pocket. The discussion also stated that If the school sponsors a sport, school should pay for items such as uniforms and

equipment. The pay to play fees can also go towards unexpected items, such as if something breaks. The money in this fund is **NOT** taxpayer money. There is concern that if the trust warrant article were to not be approved that the money would have to go back to the general fund. The athletic trust warrant article is moved to the top every year to help ensure it gets funded. The wording of the trust article may need to be redone and we may need to obtain legal opinion to create a better wording article. The money in this trust should only be used for athletics.

The vote on expendable trust article was 970 in favor vs. 403 opposed. That has never happened at an annual meeting. There is a concern that without the explanation of what the warrant articles are for that taxpayers may not fully understanding what the fund is for. The district may want to consider putting the money in Fund 23. Fund 23 contains several items that are limited to how the funds are used. Fund 23 is meant to be for non-taxpayer funds.

The BC also discussed the option of removing the pay to play fees and have the school pay for everything. There is a concern and the consensus of the BC is that the taxpayers should not get the money back from the additional out of pocket fees that parents paid.

The booster club is also highly active and helps with additional athletic expenses, such as championship jackets and sports awards.

We either need to not do the pay to play or come up a way to protect this non taxpayer money.

Athletics is the only activity that has pay to play fees. Arts, music and theater do not have to pay extra out of pocket fees to cover the expense of those after school activities. This inconsistency has been an issue. For athletics, 90% is covered by the budget, 10% by additional fees that the parents pay.

Senior Dues (\$80 over 4 years) are used to pay for activities such as the senior trip and prom. Payment of these dues are required to graduate. Those funds are tracked through student activities. They are not tracked by the general fund. Each graduating class has their own funds that only they can use. If there is a remaining balance, they need to determine how to use it. Each class has a treasurer that tracks this.

There was additional discussion on whether or not fund 23 may be a better option vs. the trust for the pay to play fees. There were also concerns that if a school sponsors a sport that the school should fund it. Why would the school not cover uniforms?

The BC expressed concerns with the Athletic trust and would like to have additional discussion on the topic in August.

### **SCHOOL BOARD UPDATE**

The schoolboard has been focused on coming up with a plan for the fall and how to bring the students and teachers back. Remote learning is a concern, especially for working families. Costs are expected to increase with the additional hours the staff are working and IT access costs.

The SB minutes have a good summary of the task force and sub-committees on the re-opening. There are state level guidelines for the local districts who will then decide how to proceed for their district. There will also be CBA (Collective Bargaining Agreements) impacts as well.

The special SB meeting scheduled for Tuesday the 30<sup>th</sup> will be to vote on the bond refinancing. There will also be a non-public session to address other issues.

### **Voting Results**

The BC engaged in discussion on the COOP District voting.

Petition articles did not pass. All other warrant articles passed.

The process for the COOP district voting worked well. There was a good turnout with just under 1400 votes. It was noted that about 1/3 of the votes cast were not in support for the Special Ed Trust, Maintenance Trust, Athletic Trust, SAU Budget and the COOP Operating budget.

The Brookline District results were discussed. The Brookline Teachers contract passed 466 to 431. Full day kindergarten passed 491 to 485. All other Warrant articles passed with wider margins.

The Hollis Town meeting was the previous week. All petition articles were tabled. All warrant articles that were brought up passed. There were ~100 residents that attended the meeting.

It was noted that for a town or school District to switch over to SB2 a vote in a town meeting is required. It can not be a ballot vote.

### **ANNOUNCEMENTS**

HB COOP BC  
06/25/2020

Next BC meeting will be August 27<sup>th</sup>.

**PROCESSOR OBSERVER**

Member Blinn reported out that there was good info in tonight's meeting. There is a lot going on in August.

**ADJOURNEMNT**

Motion by Member Rater to adjourn

Member Rydstrom seconded.

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

Yea: Matt Maguire, Brian Rater, Lorin Rydstrom, Darlene Mann, Cindy VanCoughnett, David Blinn

6

Nay:

0

MOTION CARRIED

Meeting Adjourned at 8:10

Video Archive of Meeting: <https://www.youtube.com/watch?v=L5Xnk4n7OPQ>