

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, January 24, 2019 at 6:30 p.m. at the Hollis Brookline Middle School.

Members of the Committee Present:

Darlene Mann, Chair
Raul Blanche, Vice Chair
Matt Maguire, Secretary
Lorin Rydstrom
Tom Enright
Brian Rater (Arrived at 6:43)
John Cross, School Board Rep (Arrived at 6:35)

Members of the Committee Absent:

David Blinn

Also, in Attendance:

Kelly Seeley, Business Administrator

The meeting was called to order at 6:30 PM.

AGENDA ADJUSTMENTS

None

Appointment of Meeting Observer

Matt Maguire was appointed the process observer.

Secretary's Report

Minutes from 1/9/19 were not ready for final approval.

Public Input

None

General Business

Review of Draft Warrant

The agenda material for the meeting included a draft version of the Hollis/Brookline Cooperative School District Warrant.

Article 1: STEM Renovation

An overview of the bond for the STEM renovation project was presented to the Budget Committee (BC). The School Board (SB) looked at three term options for the Bond – 10-years, 15-Years and 20-Years. All three options were quotes from the New Hampshire Municipal Bond Bank (NHMBB) and copies of the quotes were provided to the BC as part of the agenda material. At the time of the BC meeting the SB has not voted on a bond option, but they are putting forward the 10-Year option. The Bond interest rate quoted is 3.5%.

The 10-Year option would cost the district \$43,068 in interest in the 1st year. The estimated tax impact would be as follows:

Year 1: \$0.02 / 1K

Year 2 -> 10: \$0.12 / 1K

The overall impact over the course of the loan would generally be flat. The only jump is when we would go from paying interest only for Year 1 to Year 2. Year 2 is when the estimated tax impact jumps from \$0.02 / 1K to the \$0.12 / 1K. (Note: The Est. Tax impact applies to Hollis and Brookline)

A question was asked if the bond has a pre-payment option. The answer was “No” since this bond would be from the NHMBB. Private lenders were not an option due to time constraints.

Article 2: HESSA Contract

The HESSA Contract (Support Staff Contract) is in the 2nd year of a 3-year contract and has an estimated increase of \$70,621.

Highlights from the Contract include:

- Salary Increase of Step plus 2.5% for on step staff and 3% for off step staff.
- Staff distribution is 47% on step and 53% off step.
- No changes to Insurance CAPs

Article 3: School Operating Budget

The operating budget being brought forward on the warrant is \$23,113,302. This amount was a reduction from the guidance amount (\$23,134,669) from the previous BC meeting. The adjustment was due to a bond payment which resulted in a decrease of approximately \$21K.

Tom Enright made a motion to reset the operating budget guidance to \$23,113,302. Brian Rater seconded. Motion Carried 6-1-0

Article 4: Contingency

The contingency article is to raise and appropriate up to **\$100,000**.

Article 5: SAU Budget

The COOP portion of the SAU Budget is \$878,364 out of the total budget of \$1,719,314.

If the article fails, the COOP portion of the SAU adjusted budget (default) would be \$864,235 out of a total of \$1,691.711.

Article 6: Expendable Athletic Trust

This article is to raise and appropriate up to the sum of \$67,000 to be added to the previously established Athletic Program and Services Expendable Trust Fund.

A FY20 Athletic department budget spreadsheet was provided to the BC as part of the agenda material. The discussion of the article started with an overview of the "General Fund" vs. "Athletic Fund" categories in the spreadsheet. The general fund items are the minimum funds that are required to adequately fund a sport. As an example, it was noted that facilities rentals, such as ice time for hockey, come out of the budget. Booster money does not go towards ice time.

It was also noted that the money for this fund comes from the **Athletic Fees collected throughout the year**. There was some discussion to move this article to be the 1st of the "funds" articles to be funded from the June 30, 2019 unassigned fund balance. When the fees are collected, they go into the general fund. Since these fees have been paid by students the general BC consensus was that this fund should be listed 1st since the fund articles are "funded" in the order they appear on the warrant (Note: The order could be changed at the COOP District meeting by the legislative body).

Article 7: Facilities Maintenance Trust

This article is to raise and appropriate up to the sum of \$75,000 to be added to the previously established School Building and Facilities Maintenance Expendable Trust Fund.

The BC was provided the Capital Improvement Plan (CIP). It was noted that the \$75K is higher than amounts in the past. The water testing and day tanks for oil storage are in the operating budget. The CIP is a 5-year plan that provides a view of all the greater than \$20k items.

Article 8: Special Education Trust

This article is to raise and appropriate up to \$25,000 from the June 30 unassigned fund balance available for transfer on July 1, 2019 to be added to the previously established Special Education Expendable Trust Fund.

The current balance of the Special Education trust fund is approximately \$150k. There was some discussion on what the fund balance should be. The administration recommends a \$280k balance for the trust fund.

Tom Enright made a motion to Request that the Athletic Trust fund be moved to before the contingency article. Brian Rater seconded. Motion Carried 7-0-0 (Note: The effect of this is to reorder the sequence of when the articles are brought forward. Article 4 (Contingency) would move to after Article 6 (Athletic Trust))

Metrics for Public Hearing

The metrics for the public hearing were the next item to be discussed. The following metric topics were discussed as items that should be part of the presentation at the public hearing:

- General Overview
- 10 Year Trend of Budget vs. Actual
- Pie Chart showing Salary, Benefits...
- Bond Info
- Student Enrollment (past as well as predicted)
- Tax Impact for each article
- Revenue changes
- State Aid changes
- Apportionment Information

The HESSA contract and Operating budget will have additional slides to provide some details on the cost drivers.

There was discussion that the BC should include a slide that addresses the key budget changes and shows the non-discretionary vs. discretionary items. The non-discretionary items make up a significant portion of the increases.

Both towns recently went through a reevaluation. The tax base increase from the reevaluation was approximately 12% in Hollis and approximately 25% in Brookline.

The rules and format of the COOP District meeting were discussed. The plan is to start the meeting at 6pm with the presentations. The plan is that the presentations would not go past 7pm. The business part of the meeting would start at 7pm and go straight to Article 1. Drew Mason will attend the public hearing on February 6th and provide an update on the plans for the COOP district meeting.

A question was brought up, if students should be allowed to speak during the 6pm to 7pm portion of the meeting when the presentations are being presented. Since the students are not voters there are some concerns with allowing them to speak. In the past they have been allowed to speak at the COOP District meetings if they were directly involved in the topic that was up for discussion.

FY19 YTD Expenses and Revenue results

A hand out was provided to the BC for the FY19 YTD discussion and Kelly Seeley provided an update. The hand out provided the FY19 YTD Expenses and Revenue as of 1/9/19.

The transportation costs and health plan benefits are higher than expected YTD. The Vocational Ed transportation cost are higher than expected and is the main driver in the transportation cost increase. The higher health and dental insurance expenses are due to changes in the open enrollment choices.

There was a \$40K e-rate grant for the wireless system at the HS that was received. This covers about 50% of the wireless system cost.

Summary of YTD Total Expense and Revenue:

Expenses as of 1/9/19			
Budget	YTD Expenses	Encumbered	Balance
24,426,907	9,952,701	14,272,378	201,828

Revenue as of 1/9/19			
Budget	YTD Revenue	Expected	Balance
24,426,907	12,467,620	11,994,054	34,767

Pending Legislation Update

There was discussion on pending state level legislation. There are several pending legislation items that could have an impact to school districts in NH. The legislation items include kindergarten, adequacy aid, apportionment and ADM vs. EV.

Two of the pending NH House Bills that were discussed and should be followed are:

HB149: An act relative to the apportionment of costs in cooperative school districts.

This bill permits the apportionment formula for a cooperative school district to be subject to review 5 years after an article to continue the current formula was passed.

HB411: An Act relative to equalized property valuation used to apportion expenses in cooperative school districts.

This bill requires an annual apportionment of public taxes according to the equalized valuation of cooperative school districts.

Announcements

Important Dates:

- 1/28-1/29 Brookline Town Budget hearing
- 2/4 Brookline Deliberative Session/Hollis town Public Hearing
- 2/5 Hollis School District (HSD) Public Hearing
- 2/6 COOP Public Hearing (Including Bond Hearing)
- 3/6-3/7 COOP Annual meeting
- 3/12 Hollis Town Elections – Lawrence Barn, Brookline Town Elections - CSDA
- 3/13 HSD Annual Meeting HBMS
- 3/13-3/14 Brookline Annual Meeting
- 3/16 Hollis Town Mtg - HBHS

Process Observer Readout

Matt Maguire commented that the BC stayed on topic and on time.

Adjournment

Raul Blanche made a motion to Adjourn. Tom Enright seconded. Motion Carried 7-0-0

Meeting adjourned at 8:05 p.m.