

## **APPROVED**

### **HOLLIS BROOKLINE COOPERATIVE SCHOOL DISTRICT BUDGET COMMITTEE**

A regular meeting of the Hollis Brookline Cooperative School District Budget Committee was conducted on Thursday, October 25, 2018 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  
Brian Rater  
David Blinn  
Lorin Rydstrom (Arrived at 6:35)  
John Cross, School Board Rep

#### **Members of the Committee Absent:**

Tom Enright

#### **Also in Attendance:**

Andrew Corey, SAU41 Superintendent  
Kelly Seeley, Business Administrator

The meeting was called to order at 6:31 PM.

### **AGENDA ADJUSTMENTS**

An overview of the SAU41 Budget was added.

### **Appointment of Meeting Observer**

John Cross was appointed the process observer.

### **Secretary's Report**

David Blinn moved to approve the meeting minutes as amended from September 27, 2018. Brian Rater seconded.

**Approved 6-0-0** (Lorin Rydstrom was not present at the time)

### **Public Input**

None

### **Monthly Results**

Kelly Seeley, Business Administrator, provided the committee with an update on the YTD Expenses and YTD Revenue as of October 5<sup>th</sup>. The COOP budget is currently over budget at this point of the fiscal year.

The two main drivers are:

- Facilities – Primarily over at this point due to oil cost and water testing. (Currently over by \$25,045).
- Benefits – The Benefits are running higher than expected due to staff members selecting higher cost medical and dental plans during open enrollment. When the budget is put together the cost model is based on the current FY selections. Some of the staff moved from a single person plan to the 2-Person plan or moved from the 2-Person plan to the Family plan. We also had new staff select more expensive plans than what was budgeted for. This has resulted in a higher benefit cost than anticipated at this point in the FY. (Currently over by \$25,914)

**For Reference:** To determine if a category is over budget, the following formula is used:

$$\text{Budget} - \text{YTD Expense} - \text{Encumbered} = \text{Balance}$$

The oil contracts were discussed.

At this time the COOP Budget has been frozen until the encumbered amounts are reduced.

Brian Rater had a question about the unreserved fund balance and how the current FY unreserved balance compares to previous years with the estimate vs. actuals numbers. The committee had a discussion on the past 5 years of the Estimate vs. Actual numbers for the Unreserved Fund balance that was returned to the tax payers. A table of the past 5 years of data was provided for the discussion:

	MS27 Estimate	Actual
FY18	300,000	462,726
FY17	200,000	758,252
FY16	150,000	352,779
FY15	50,000	299,407
FY14	50,000	164,137

FY17 had a larger than normal balance due to a Special Education reduction during the FY.

### **FY19 Budget Overview**

An overview of the FY19 Budget was provided to the committee. The committee discussed some of the main cost drivers in the FY19 budget:

- Sanbornized Teachers Contract
- HESSA Agreement
- Change in NHRA Rates
- Adequacy Aid available in November

## **Preliminary FY20 Budget Overview**

Superintendent Corey provided the committee with an overview for the FY20 budget proposals. The overview discussion started with an update on the number of students in the district. The HBMS student population has increased from 370 students to 394 students over the past year. The HBHS student population also had an increase this past year where it went from 830 to 859 students. There were several move-ins this past year. The NESDEC predictions show a somewhat consistent estimate for student numbers for the short term, but the move-ins are a wildcard.

At the October SAU41 Governing board meeting, the board authorized bids to go out for the transportation contract for FY20. The district is expecting an approximate \$60K increase in transportation cost for FY20. Driver shortages are still a major issue at the state level. It was also noted that Hollis Transportation has been providing the transportation for the district for a very long time and have always provided good service. The administration has been meeting with Hollis Transportation to work on the driver shortage issues.

Superintendent Corey walked through the “New Items - Round 2” spread sheet with the committee. (*The Spreadsheet will be part of the agenda materials*). Highlights from Superintendent Corey’s overview include:

- Staffing Changes.
  - Class size has been impacted due to the number of new students. Looking to add approximately 2.4 new teachers to offset.
  - Sanbornized Teachers Contract will carry forward for FY20
  - There also needs to be an increase in the nurse support. This would be a cost shared position. The apportion formula would be used to divide the cost among the districts.
  - A shared facilities director position is being requested. This position would also be shared across all 4 districts. In looking at similar districts in NH, SAU41 is the only one without a facilities director.
- Replacement Computer Equipment – HB1612 is a new unfunded mandate by the state related to data storage. There is a \$15K expense for a new server to meet this state mandate.
- Safety – The district is expected to receive approximately \$250K in safety grants. The district would be responsible for approximately 20% of the project cost. There is a \$42.2K line item for security camera upgrades in the budget.
- Facilities
  - There is a new unfunded state mandate for the Day Tanks at the Middle and High Schools. These tanks will need to be replaced at an approximate cost of \$40k total for both schools.
  - There is also a new unfunded state mandate to test every sink/water fountain for lead. This is expected to cost about \$10k.
  - HBHS is expected to have a reconfiguration of the lobby/front office for security for \$40k
  - HBMS Life Skills reconfiguration (\$15k)
  - Phase 2 of the HBHS Roof (\$35k)
  - HBMS Fire Panel Replacement (\$60K from Maintenance Trust)

After Superintendent Corey walked through the “New Items – Round 2” spreadsheet the committee engaged in discussion on several of the items.

The proposed facilities director position was discussed and what the role would be. As previously mentioned, the position would be shared across all 4 districts.

The bid for the transportation contract was discussed next. The proposed \$60K increase is based on the anticipated increase with Hollis Transportation. This is due to having to pay drivers more. The economy is good now and there is low unemployment, so it is more difficult to find drivers. It was also discussed that it has been difficult to obtain additional bids in the past and that additional bids would most likely come in at a much higher cost than what we are paying now.

The committee then engaged in a discussion on staffing. As of this time there have not been any notifications of intent to retire by any staff members. December 1<sup>st</sup> is the date that notice is required by.

Currently the Social Studies class sizes are in the 27 to 29 student range. Per policy these classes should be in the low 20s for class size. We are exceeding the max class sizes in some cases for other classes. The plan would be to hire 2.4 teacher positions at the HBHS. Math would probably be one of those positions with French being a 0.4 position. For budget purposes these positions would be based on a master's +5 years of experience. Approximately 93% of the building is being utilized.

Lorin Rydstrom asked how do we know what the optimum class size is? The NH Department of Education Rule Ed 306.17 specifies a maximum allowable class size is 30 students for grades 2 through 12. The COOP district policy IIB – Class size, sets a minimum and maximum class size for the COOP district. The class size requirements in the policy vary depending on the class. Superintendent Corey described what a “good” class size is and indicated it depends on several factors, such as what the particular class subject was. Some classes, depending on the subject, may require smaller class sizes. Lorin Rydstrom requested class size data for other districts to see how we compare. The administration will be relooking at the HBHS class sizes after the class drop timeframe to change classes has passed and there are no more students changing classes.

The health insurance rates for the upcoming year are higher than expected. The GMR came in at 8.1%. It was noted that the rates came in higher due to a higher usage of insurance this past year. There were 10 maternity leaves and a large number of hospital stays during the past year in addition to additional staff members moving to the family plan.

NH Retirement rate has increased 2.5%

Superintendent Corey provided a n overview update on some of the warrant articles that are planned to be brought before the voters across the 3 districts:

- Brookline plans to bring forward a warrant article for full day Kindergarten.
- The Hollis district may have new Teacher and Support Staff contracts
- COOP plans to reintroduce the STEM lab. The STEM lab is now being referred to as the Innovation Center. The plan would be to have approximately 3 classrooms that would be able to be utilized within the Innovation lab space. Waiting for an update on the cost.

The bond rates are currently being looked at for the new artificial turf field. Rate numbers are expected to be available for the November 13<sup>th</sup> COOP SB meeting.

### **SAU41 Budget Discussion**

Superintendent Corey provided the committee an update on the proposed FY20 SAU41 budget. The SAU41 Budget Subcommittee's 1<sup>st</sup> review proposal was provided to the COOP budget subcommittee for the discussion. Superintendent Corey walked through each of the categories in the budget proposal for the discussion. It was also noted that typically the unreserved fund balance for the SAU41 budget would be in the 7% to 10% range, but currently it is at approximately 5%. The proposed SAU41 budget has some minimal staffing increases. Overall the proposed budget is up 4.9%

### **Preliminary Guidance Discussion**

The Round 2 proposal from Superintendent Corey came in at about a 8.3% increase. It was acknowledged that this was high and additional work is needed in order to come back next month with something lower. The committee started the preliminary guidance discussion with Darlene Mann reviewing the "Preliminary FY20 Guidance" spreadsheet that was provided to the committee. There was discussion on how the spreadsheet calculations worked. The spreadsheet starts by removing the items that do not fluctuate to come up with a base number. A CPI of 3.2% is applied against the % of non-salary/benefit Guidance Base. There is also a BudCom Guidance Multiplier that is applied. The committee engaged in additional discussion on the spreadsheet calculations.

John Cross moved to recommend a preliminary guidance for a fully loaded budget of \$24,164,501 (6.1%), Excluding the Innovation Center. David Blinn seconded.

The committee then discussed if the guidance should be based on a fully loaded budget or just an operating budget. After additional discussion, the consensus was that the committee should recommend guidance for an operating budget. There was also discussion about including relief items for the unfunded mandated items such as the Day Tank replacement and the lead testing of all the water faucets/water fountains.

The motion was then withdrawn by John Cross.

Lorin Rydstrom moved to recommend preliminary guidance of \$22,976,880 for The Operating Budget with relief items. Brian Rater seconded.

**Approved 6-1-0**

## **SB Update**

*(For detailed information on the COOP SB Meeting please refer to the meeting minutes posted on the SAU41 website)*

John Cross provided the committee an overview of the 10/17/18 COOP School Board meeting. A timeline for the turf field was discussed. Timeline Highlights include:

- November 17<sup>th</sup> the COOP SB would review bond quotes and deliberate on Funding
- December to March timeframe would be for applying for all the permits.
- End of February the project would be put out to bid
- Mid March timeframe, prime contractor selection
- End of March/Early April start construction.

The Facilities Committee divided into two sub-committees; Facilities and Curriculum. They are reviewing what is currently offered and how an innovation center or STEM lab would be beneficial.

The Format of the Annual district meeting was discussed. One option being looked at would be to have all the background info 1<sup>st</sup> for the voters that are interested and then start the voting of the warrant articles at a specified time. There will also be a new ballot this year.

The HB Rotary Club donated \$5k to the high school.

## **Announcements**

COOP Budget Public hearing scheduled for Wednesday February 6, 2019

COOP District Annual meeting scheduled for Wednesday March 6, 2019

Next COOP Budget Committee meeting scheduled for Thursday November 27<sup>th</sup>.

## **Process Observer Readout**

John Cross reported that the Preliminary Guidance discussion started at 7:35.

## **Adjournment**

David Blinn moved that we adjourn. Lorin Rydstrom seconded. The motion passed 7-0-0. Adjourned at 8:45pm.