

# **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 9, 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  
John Cross, School Board Rep

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

Brian Rater  
David Blinn

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

Andrew Corey, SAU41 Superintendent  
Kelly Seeley, Business Administrator

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

### **AGENDA ADJUSTMENTS**

None

### **Appointment of Meeting Process Observer**

Matt Maguire was appointed the process observer.

### **Secretary's Report**

Lorin Rydstrom moved to approve the meeting minutes as amended from November 29, 2018. Raul Blanche seconded.

**Approved 5-0-1**

### **Public Input**

None

### **FY20 Budget Review**

The FY20 Budget review discussion started with Superintendent Corey providing the committee with an overview. A spreadsheet was provided to the committee and the discussion centered around the "Superintendent's View – RND 4" tab of the spreadsheet.

The BC guidance from the 11/29/2019 meetings was \$22,976,880 for the operating budget. The FY20, RND 4, Operating Budget proposal comes in at \$23,336,822, which is \$359,942 over the budget committee guidance.

Two key factors contribute to the increase:

- One of the main contributing factors for the difference between the guidance and the proposed operating budget is the Athletic Field bond payment which was not factored into the budget for the original preliminary guidance.
- The Transportation Contract was approved at the SAU41 Governing Board meeting that was held on 1/3/19. The transportation contract came in \$36,684 higher than expected.

The discussion on the Operating Budget focused on options to decrease the proposed amount to be closer to the guidance. The spreadsheet contained 3 Phases of proposed cuts to the budget.

An overview of each of the Phase reductions were presented to the Committee. The proposed items are shown in the table below:

<b>Budget Committee Guidance Approved on 11/29/18:</b>	<b>\$22,976,880.00</b>
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<b>Phase I Reductions</b>	
<b>District Proposed Operating Budget as of 11/29/18</b>	<b>\$23,336,822.58</b>
Various small adjustments	-\$4,154.97
HS Spanish Textbook adjustment	-\$1,997.00
PE Teacher Replacement Hire - 1.0 to 0.6	-\$31,720.00
Facility Director-Coop portion	-\$54,724.00
Nurse sub-Coop portion	-\$25,732.00
PLTW	-\$8,000.00
Newsela	-\$3,400.00
MS Smartboard	-\$4,000.00
Food Service Servers	-\$7,200.00
Camera upgrades	-\$42,193.00
Field Hockey Goals	-\$4,500.00
Move HS Roof to Maint Trust	-\$35,000.00
<b>Phase I Reductions:</b>	<b>-\$222,620.97</b>
<b>Phase I Additions:</b>	<b>\$36,684.00</b>
<b>Total Proposed Operating Budget - Phase I:</b>	<b>\$23,150,885.61</b>
<b>Phase I Difference from Guidance:</b>	<b>\$174,005.61</b>

Phase II Add'l Reductions	
HBHS Window Seals	-\$2,500.00
HBHS Pest Control	-\$2,500.00
HS .2 French Teacher	-\$11,216.00
<b>Phase II Reductions:</b>	<b>-\$16,216.00</b>
<b>Total Proposed Operating Budget - Phase II:</b>	<b>\$23,134,669.61</b>
<b>Phase II / Difference from Guidance:</b>	<b>\$157,789.61</b>

Phase III Add'l Reductions	
Day Tank Replacement to Maint. Trust.	-\$39,564.00
<b>Phase III Reductions:</b>	<b>-\$39,564.00</b>
<b>Total Proposed Operating Budget - Phase III:</b>	<b>\$23,095,105.61</b>
<b>Phase II / Difference from Guidance:</b>	<b>\$118,225.61</b>

The RND 4 proposed budget presented to the committee this evening included the Phase I items. The Phase II and Phase III items were not included in the proposed budget. The Administration would prefer not to implement Phase II or Phase III reduction items.

It was noted that the water testing, moving the roof repairs to the maintenance trust and the higher bond amount are included in the Phase I view.

A question was asked if the camera upgrades were included in the proposed budget. The answer was “no”, and if the camera grants were approved the district would need to find a source for the matching funds in the budget. It was also discussed that at the HS there is a desire for more camera coverage of the parking lot and the parking fees may be a source for funding the cameras for that area. If the grant did come through the district would have to cover 20% of the expected \$82K total cost for the camera upgrades.

There was some discussion on the maintenance trust fund. There is currently \$120K in the fund with \$15K that will be used this year for the elevator repairs. This would leave a \$105K balance in the fund for the start of next year. The table below summarizes the proposed plans for the maintenance trust fund:

Maintenance Trust Fund Current Balance	\$105,000.00
Proposed Warrant Article Addition	\$75,000.00
Proposed Funds to address Items	\$95,000.00
Proposed Ending Balance	\$85,000.00

It was noted that there is a concern with moving the Day Tank Replacement to the maintenance trust fund for the Phase III Budget Proposal. If the \$75k addition was not to be approved by the voters there would not be enough in the fund to cover the cost of the tank replacement.

The special education trust fund was discussed next. There is \$125K in the fund now. It is projected that the fund will be used this year due to incoming students and it is not expected to be much surplus. The proposed FY20 budget has \$500K increase due to SPED requirements.

The Bus Contract was approved at the 1/3/19 SAU Governing board meeting. There were two bid proposals that were considered. One from Hollis Transportation and the other from Butler Transportation. Both bids were higher than expected and the biggest impact was to the COOP district. The Athletics portion had a significant increase. The contract was awarded to Hollis Transportation and it is a 3-year contract with an option to add 2 additional years. The year 1 to 2 and year 2 to 3 would have an approximate 2.5% increase year to year.

A question on the Health Care Coverage GMR rate was asked. The GMR rate estimate came in at 8.1%. This would be the worst-case rate increase that the district could see for the health insurance. The actual rate increase will not be known for several months.

A health care usage update was provided to the committee. There has been an increase in healthcare cost this past year. There has been a shift from 1 Person to 2 Person plans as well as a shift from 2 Person to Family plans which are contributing factors for the increase in this portion of the operating budget. There has also been a large number of maternity leaves (10 so far across the SAU). The salary for long-term subs also contribute to the increase for when a teacher is out on maternity leave.

It was reported that there are 5 retirement notices so far that have been submitted to the administration. Each of them qualifies for the CBA buyout. When budgeting for a new teacher to fill the vacant position from a retirement a Master+5 step level is used.

The NHRS contribution impact was discussed. There is an increase of \$74K in the proposed budget for the district's contribution to the NHRS.

The committee asked a question about the French Teacher 0.2 proposed position. Currently a teacher is teaching an extra section to cover the class and it is funded by approximately \$10k that is not in the budget. The 0.2 position would allow this position to be funded.

A question was asked if the operating budget would be under guidance if the requested relief items were granted. There was some discussion on this topic and the rough estimate was that it would be about \$160K under guidance if the relief items were granted. There was also some discussion on if the operating budget increase would be in line with the CPI (Consumer Price Index) if the non-discretionary items were factored out. The non-discretionary items include the SPED increase (approximate 2%), benefit increase (approximately 1%) and the NHRS Increase (approximately 0.5%). If the non-discretionary items are factored out the operating budget increase would be close to the CPI increase.

When the Phase III reductions are factored in the operating budget, the remaining increase would be approximately 6.78%. The major contributing items that are required to be in the budget were discussed. The approximate breakdown of the increases are as follows:

SPED	2.0% (\$500K)
NHRS	0.5%
GMR	1.3% (\$291K)
Athletic Field	0.9%
Labor	1.5% (\$300k)

The major items that are required are approximately 6.2% of the increase. There was some discussion that when these required items are subtracted from the increase, the PHASE III operating budget increase that includes everything else is less than 1%

**Lorin Rydstrom made a motion to support the Phase III Operating budget of \$23,095,105.**  
**Raul Blanche seconded.**

The Phase III budget increase represents a net 6.78% increase.

Superintendent Corey spoke to this motion and indicated he had concerns with the proposed budget amount.

It was also noted that if the field was included in the budget from day 1 that we would be under guidance for the Phase I proposed budget.

**The motion failed 2-4-0**

**Lorin Rydstrom made a motion to support the Phase II Operating budget of \$23,134,699.**  
**Raul Blanche seconded.**

The Phase II budget increase represents a 6.96% increase.

Superintendent Corey spoke to this motion and indicated he supports the Phase II budget. The Phase II budget is approximately \$16K less than the Phase I budget.

A question was asked regarding which foreign languages are required. There are 3 languages offered at the High School – French, Spanish and Latin. The classes are in demand. Students typically take 2 years, however there are many students that take a 3<sup>rd</sup> and 4<sup>th</sup> year of a foreign language. Two years of a foreign language are considered to be part of a well-rounded education.

**The motion passed 5-1-0**

### **STEM Center Expansion Update**

There will be a public forum on the STEM Center expansion on January 22<sup>nd</sup>. There was also a public forum that was held back in December.

The expansion would be in the same location as last year's proposal. There is a change for this year's proposal to make the space more focused on curriculum for the 7:30 to 3:30 portion of the day.

The enrollment is up, and the proposed plan would be to allow 3 classes to utilize the space.

- Engineering Classroom – Currently the Physics teachers use carts and must move from room to room throughout the day. This is not ideal for a Physics class. The new space would be better suited for physics classes and there would be two physics teachers that would be able to share the space.
- Computer Science Classroom – CS (Computer Science) has just been added as a core component for the curriculum. The space would support the high-end computer classes. The CS classes have full enrollment.
- Wellness Classes – The 2<sup>nd</sup> floor would have the space for the Wellness classes as well as the fitness center. The weight room would move to this floor.

The warrant article for the STEM Center Expansion would be \$2,060,000

There have been several STEM fairs at the Elementary Level as well as the MS/HS level. The fairs are well attended, typically by 500 to 800 people.

Regarding the Athletic field, there is a \$150K to help pay its costs. There will be an effort to request additional pledges to help support the STEM Center Expansion.

The December Public Forum went well and had a good attendance.

### **SAU Budget Update**

There were some questions that were raised in the December COOP BC meeting about the SAU41 Governing Board expenditures from the reserve account. A Legal opinion was requested and guidance was provided. In essence, as long as there is a public hearing, the SAU Governing board can access the reserve account for expenditures. The budget is not impacted by the SAU Governing board accessing the reserve account. The full guidance provided by Legal is available with the agenda material.

### **School Board (SB) Update**

- The SB Agenda packet is a good source of information and data for insight into what is going on in the COOP district.
- Gina Bergskaug provided the SB an update on test scores and the differences between the 2016 and 2017 results
- There are 5 teacher retirements
- Hollis (Town) is looking at additional field options.

- Round 3 of Budget Proposal discussed.
- Athletic Field Bond closed on December 17<sup>th</sup>.
- There is a pledge for \$150K for the Athletic Field.

## **Announcements**

The time window for elections/reelection filing into the COOP Budget Committee is between 1/23 and 2/1

The COOP Budget Committee has 3 positions (2 Hollis and 1 Brookline) up for re-election.

## **Important Dates:**

1/22 public forum at RMMS in Brookline

1/24 COOP BC mtg

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

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

## **Agenda Building**

- Review of Draft Warrants

## **Process Observer Readout**

Matt Maguire commented that there have been some good, positive discussions during the meeting on the budget, similarly to previous meetings.

## **Adjournment**

Raul Blanche made a motion to Adjourn. Lorin Rydstrom seconded. Motion Carried 6-0-0

Meeting adjourned at 8:10 p.m.