

**JOINT MEETING
HOLLIS BROOKLINE COOPERATIVE SCHOOL BOARD
HOLLIS BROOKLINE COOPERATIVE SCHOOL DISTRICT BUDGET COMMITTEE
FEBRUARY 2, 2023
MEETING MINUTES**

A Joint Meeting of the Hollis Brookline Cooperative School Board and Hollis Brookline Cooperative District Budget Committee was conducted on Thursday, February 2, 2023 at 6:30 p.m. at the Hollis Brookline Middle School.

Holly Deurloo Babcock, School Board Chairman, presided:

Members of the School Board Present: Tom Solon, Vice Chairman
Kate Stoll, Secretary
Beth Janine Williams
Cindy VanCoughnett
Krista Whalen

Members of the School Board Absent: Tom Enright

Members of the Budget Cmte. Present: Darlene Mann, Chairman
Raul Blanche, Vice Chairman
David Blinn
Matthew Maguire
Brian Rater
Anthony Stanizzi
Cindy VanCoughnett, School Bd. Rep.
Tom Whalen

Members of the Budget Cmte. Absent:

Also in Attendance: Andrew Corey, Superintendent
Gina Bergskaug, Asst. Superintendent of Curriculum and Instruction
Kelly Seeley, Business Administrator
Lauren DiGennaro, Director of Student Services
Linda Sherwood, Assistant Business Administrator
Tim Girzone, Principal, Hollis Brookline High School

APPOINTMENT OF PROCESS OBSERVER

Beth Williams and Tom Whalen volunteered to serve as Process Observers.

AGENDA ADJUSTMENTS

Superintendent Corey noted receipt of five (5) Petition Warrant Articles two of which require Public Hearings.

Article 9, relative to the Articles of Agreement (AoA) and Article 10, relative to implementing a tax cap, will be the subject of public hearings conducted on Thursday, February 16, 2023 at the Captain Samuel Douglass

Academy Cafeteria in Brookline and Monday, February 20, 2023 at Hollis Brookline Middle School Library, Hollis.

Budget Committee Chair Mann provided a brief explanation of the various articles that would be discussed at the public hearing and for which the Board and Committee would take positions following the hearing.

Presented at the Annual Meeting are 6 articles that have financial impacts for the district. Article 1 addresses energy efficiency upgrades for \$291,272 and having associated long-term financing, Article 2 is the Hollis Education Support Staff Association (HESSA) contract for \$162,006, Article 3 is the operating budget at \$26,499,039, Article 4 is the SAU budget at \$1,140,822, Article 5 is the Facilities Maintenance Trust at \$300,000, and Article 6 is the Special Education Trust at \$25,000 for a total warrant value of \$28,543,139 or a 6.1% increase over FY23.

A chart was displayed providing an overview of the distribution of the budget; salaries and benefits (53%), student services (includes staff and programs) (19%), general education (13%), building maintenance (3%), transportation (3%), transfers (4%) and debt service (5%).

Student enrollment for the two schools in the district is projected at 1,112 in FY24 (decrease of 35 from FY23). NESDEC projections through FY28 and beyond show increases as some of the population at the lower schools starts to move up to the COOP. That composition is split between the two communities and has significant bearing on how the costs are apportioned between the two; 55% Hollis and 45% Brookline.

The budget discussed to this point is not the budget that directly impacts the tax rates. The tax effort is an amount less than the budget. A slide was shown depicting the COOP budget versus COOP tax effort. Over the past few years the tax effort has been lower than estimated due to significant budget underruns and a significant return to the public on unreserved fund balance.

That impact on tax rate results in actual rates on the local portion of the bills in the two communities that are below what we estimated for the public hearing and annual meeting. For the tax bills that were just sent out in November, based on the estimates for the budget year that we are in, the tax rate was a total decrease of \$0.63/\$1,000 in Hollis and \$0.67/\$1,000 in Brookline.

When looking at the estimates and projected items for FY24, one of the most significant impacts is going to be a reduction in anticipated revenue. As was mentioned, there was a significant unreserved fund balance, which meant we had a higher revenue number for the current year (\$3.2 million). That revenue estimate is dropping down to \$1.85 million. Where State Aid is concerned, while our numbers are about \$110,000 below, in total, and \$33,000 less anticipated for Hollis and about \$83,000 less for Brookline, there are some significant shifts between Adequacy Grant, which is typically based on student population and the Statewide Education Property Tax (SWEPT).

There are significant shifts from FY23 to FY24. For Hollis estimated at \$364,340 and Brookline approximately \$152,929. Because of the expiration of legislation that specifically reduced the SWEPT and associated rate. Because the legislation is expiring, the amount of funds raised through the SWEPT go up, the rate goes up, and affects the overall amount in the Bill. That was one-time legislation. If legislation is put forward and the current legislative body in Concord wants to continue that, they can do so. Chairman Mann stated she is unaware of legislation that addresses that for this year. What the previous legislation did was remove \$100 million that was previously raised through the SWEPT and took it from another source of the State budget. It literally lifted \$100 million from what needed to be assessed among the communities, specifically to lower

property tax rates. The \$1.3 million received in Hollis and the \$600,000 received in Brookline is a direct result of \$1.3 million being raised in taxes and \$600,000 raised in taxes. It is a dollar-for-dollar return to each community that pays into the tax rate. In total, the three main things that are affecting the change in tax effort as we estimate the FY24 budget impacts, are a budget increase of \$1,644,696, a revenue decrease of \$1,365,629, and a State Aid reduction of \$116,564. That results in a net change in tax effort of \$3,126,889.

The total budget is \$28,543,139 reduced by the COOP revenue of \$1,853,862 leaving an amount to be apportioned of \$26,689,288. Each district has its own SWEPT and Adequacy grants reduced. In total, it is \$5,079,556. The net total tax effort between the two towns would be \$21,609,721. Costs are apportioned and shared between the two communities based on an estimate of Average Daily Membership (ADM) at the end of the current school year. The end of FY22 number was a 53/47 split. There is an equalized value component to the apportionment formula as well, and the estimates show we will be at approx. 69% for Hollis and 31% for Brookline on property values. That leads to a net apportionment of approximately 54.4% Hollis and 45.6% Brookline. After applying each community's adequacy aid and SWEPT grant, the total net tax effort results in 55.5% for Hollis and 44.5% for Brookline.

The \$26,689,277 that is calculated after revenue is accounted for is apportioned using the apportionment formula with the ADM and EV components, to \$14,514,701 for Hollis and \$12,174,576 for Brookline. Reducing that by the State Aid of \$2,515,908 for Hollis and \$2,563,648 for Brookline results in a local tax effort of \$11,998,793 for Hollis and \$9,610,928 for Brookline. Based on estimates, the result would be a tax rate of \$8.11/\$1,000 for Hollis and \$13.56/\$1,000 for Brookline.

PUBLIC HEARINGS

Lease Hearing - The purpose of the lease hearing is to review plans/options for replacing aging boilers, upgrading to LED lighting and removal of oil tanks with the transition to propane.

The Public Hearing will be held on Monday, February 20, 2023 at the Hollis Brookline Middle School Library.

Budget/Warrant Articles – The purpose of this public hearing is to review the proposed Hollis Brookline Cooperative School District budget for 2023-2024 as well as proposed Board warrant articles and those submitted by citizen's petition.

MOTION BY MEMBER BLANCHE THAT THE COMMITTEE RECESS UNTIL THE CONCLUSION OF THE PUBLIC HEARING

MOTION SECONDED BY MEMBER MAGUIRE

MOTION CARRIED

8-0-0

The Committee recessed at 6:45 p.m.

MOTION BY MEMBER WILLIAMS THAT THE BOARD RECESS UNTIL THE CONCLUSION OF THE PUBLIC HEARING

MOTION SECONDED BY MEMBER STOLL

MOTION CARRIED

6-0-0

The Board recessed at 6:46 p.m.

The Board and Committee reconvened at 7:15 p.m.

DELIBERATIONS

The School Board and Budget Committee discussed the merits of the articles in a joint discussion.

- To see what action the Board will take regarding the proposed lease for replacing aging boilers, upgrading to LED lighting and removal of oil tanks with transition to propane

Article 1

To see if the School District will vote to authorize the School Board to enter into a 15-year lease purchase agreement for **\$3,076,806** to finance the acquisition and installation of energy efficient LED lighting and propane boilers with associated costs for oil tank removal for both the Hollis Brookline High School and Middle School; and to raise and appropriate the sum of **\$291,272** for payments due under the lease purchase agreement during the 2023-2024 fiscal year. This lease purchase agreement will contain an escape (non-appropriation) clause. (Majority vote required.)

Estimated tax impact is \$0.11/\$1,000 in Hollis and \$0.10/\$1,000 in Brookline.

Superintendent Corey spoke of bond warrant article language drafted on the advice of legal counsel. When performing due diligence regarding the lease, a technical defect was uncovered. The word “lease” cannot be found in the Articles of Agreement (AoA). When the AoA language was created the only option was that of a bond. After speaking with the Department of Revenue Administration (DRA), Department of Education, auditor, and legal counsel, the recommendation is to turn the lease article into a bond article.

The proposed draft language reads:

To see if the School District will vote to appropriate the sum of **\$3,076,806** gross budget to finance the acquisition and installation of energy efficient LED lighting and propane boilers with associated costs for oil tank removal for both the Hollis Brookline High School and Middle School; to authorize the issuance of not more than \$3,076,806 in bonds or notes in accordance with the provisions of Municipal Finance Act RSA 33, to authorize the school board to issue, negotiate, and sell and deliver such bonds and notes and to determine the rate of interest whereupon the maturity of the items therefore, and to raise and appropriate an additional sum of **\$291,272** to pay debt service on such bonds and notes in the 2023-2024 fiscal year. (3/5 ballot vote required).

From the standpoint of the article itself, nothing has changed in terms of the work to be performed. The dollar amount has not changed. What has changed is moving from a lease to a bond, which also changes it from a simple majority vote requirement to a 3/5 vote requirement. In terms of the process, we would need to hold a bond hearing. That would occur on Monday, February 20th. A determination of whether the articles is on the warrant would be made by the School Board either this evening or at their next meeting.

Should the Board not take a position on this article tonight, it would not be available for the Town Report. The Board and Committee could take positions at their next meetings or on the night of the Annual Meeting.

Superintendent Corey noted that this process was undertaken last year when a lease was done. Our attorneys are aware of that and will provide information in the future of how to correct that. Noted was that whenever a lease or bond is done it has to go through bond or lease counsel. They go through all of the details to ensure all requirements are met. The district was given the go ahead last year. Inadvertently, it went unnoticed that the word "lease" is not in the AoA.

The other recommendations counsel has provided are that, at some point in the future, a separate meeting be conducted to adjust the AoA once again to clearly define capital versus operations and to talk about bond versus lease.

Superintendent Corey recommended the Board publish the language as Article 1, that the bond hearing be conducted on February 20th and that, at a future meeting or the night of the Annual Meeting, the Board and Committee take positions on that specific article.

Committee Vice Chair Blanche asked, assuming each process is followed perfectly, what is the comparison of potential risk to the district of one versus the other. Superintendent Corey responded he would not say there is no risk because ultimately once we secure say 15 years at X rate, that has to come back to the School Board for a final vote. They are authorizing the wording. That \$291,272 is an estimate. It was a lease estimate. Traditionally lease interest rates have been higher than bonds. What you do lose sometimes when you go with a bond is the flexibility to refinance. When asked, Superintendent Corey stated his suggestion would be to address the AoA sooner than later.

Board Member VanCoughnett stated her opinion the bond article should be included in the warrant. If need be, it could always be pulled off, but there should be something out there for residents to digest. If included on the warrant, the Board could take a position. The general consensus was agreement.

MOTION BY BOARD MEMBER WILLIAMS TO PUT THE LANGUAGE ON THE WARRANT AS ARTICLE 1

MOTION SECONDED BY BOARD MEMBER VANCOUGHNETT

MOTION CARRIED

6-0-0

Board Vice Chair Solon commented he was not ready to take a position on it. Committee Chair Mann questioned if members of the Committee were agreeable to taking a position on the article.

Committee Member Whalen asked for clarification if the advice from counsel was that we are not allowed to enter into a lease and was told that was the advice. Knowing what we have learned in the past few days, lease/bond counsel would not be able to authorize the lease to move forward because technically it is not talked about in the AoA.

Committee Member Rater stated his preference for the Committee to take a position following a public hearing. Taking a position in advance of that sort of devalues the public hearing, in his opinion.

Committee Member Blinn remarked a lease is not an option. Were it an option, an opinion would be taken on the article at this time.

Noted was that there had been a planned hearing for the lease during the course of this meeting, which did not occur due to the change.

Reiterated was that the Board and Committee could take a position on the article following the public hearing scheduled for the 20th or at the Annual Meeting. However, in the absence of taking a position at this time, the positions would not be included on the Town Report. Some commented on the speculation that could occur as a result. Committee Member Blinn and Vice Chair Blanche stated support for taking a position at this time.

**MOTION BY BOARD MEMBER WILLIAMS TO RECOMMEND ARTICLE 1, AS DISCUSSED
MOTION SECONDED BY MEMBER STOLL
MOTION CARRIED**

5-0-1

Member Solon Abstained

**MOTION BY COMMITTEE MEMBER BLANCHE TO RECOMMEND ARTICLE 1, WITH BOND
LANGUAGE AS DISCUSSED
MOTION SECONDED BY MEMBER MAGUIRE
MOTION CARRIED**

7-0-1

Member Rater Abstained

The School Board recommends: 5-0-1

The Budget Committee recommends: 7-0-1

- To see what action the Board and Committee will take regarding the proposed Hollis Brookline Cooperative School District Budget for 2023-2024, Board warrant articles, and those submitted by citizen s petition

Article 2

To see if the school district will vote to approve the cost items for the third year of a four-year collective bargaining agreement reached between the Hollis Brookline Cooperative School Board and the Hollis Education Support Staff Association for the 2021-22, 2022-23, 2023-24 and 2024-25 school years, which calls for the following increases in support staff salaries and benefits at the current staffing levels:

<u>Fiscal Year</u>	<u>Estimated Increase</u>
2023-24	\$162,006

and further to raise and appropriate a sum of **\$162,006** for the third fiscal year (2023-24 school year), such sum representing the additional costs attributable to the increase in support staff salaries and benefits required by the new agreement over those that would be paid at current staffing levels.

Estimated tax impact is \$0.05/\$1,000 in Hollis and \$0.08/\$1,000 in Brookline.

Committee Member Rater questioned what would occur in year 4 and was told it is an addition of approx. \$82,000. Year 3 represents an increase because of the table change. There are no additional caps in year 4.

**MOTION BY COMMITTEE MEMBER BLANCHE TO RECOMMEND ARTICLE 2, AS WRITTEN
MOTION SECONDED BY MEMBER RATER
MOTION CARRIED**

7-0-1

Member Blanche Abstained

**MOTION BY BOARD MEMBER WILLIAMS TO RECOMMEND ARTICLE 2, AS PRESENTED
MOTION SECONDED BY MEMBER STOLL
MOTION CARRIED
6-0-0**

*The School Board recommends: 6-0-0
The Budget Committee recommends: 7-0-1*

Article 3

To see if the school district will vote to raise and appropriate a sum of **\$26,499,039** for the support of schools, for the payment of salaries for the school district officials and agents and for the payment of statutory obligations of the district. This appropriation does not include appropriations voted in other warrant articles.

Estimated tax impact is \$7.63/\$1,000 in Hollis and \$12.83/\$1,000 in Brookline.

**MOTION BY COMMITTEE MEMBER BLANCHE TO RECOMMEND ARTICLE 3, AS WRITTEN
MOTION SECONDED BY MEMBER MAGUIRE
MOTION CARRIED
8-0-0**

**MOTION BY BOARD MEMBER WILLIAMS TO RECOMMEND ARTICLE 3, AS PRESENTED
MOTION SECONDED BY MEMBER VANCOUGHNETT
MOTION CARRIED
6-0-0**

*The School Board recommends: 6-0-0
The Budget Committee recommends: 8-0-0*

Article 4

Shall the District vote to raise and appropriate the sum of **\$1,140,822** as the Hollis Brookline Cooperative School District's portion of the SAU budget of **\$2,264,374** for the forthcoming fiscal year? This year's adjusted budget of **\$2,247,208** with **\$1,132,174** assigned to the school budget of this school district will be adopted if the article does not receive a majority vote of all the school district voters voting in this school administrative unit.

Estimated tax impact is \$0.33/\$1,000 in Hollis and \$0.55/\$1,000 in Brookline.

**MOTION BY COMMITTEE MEMBER BLANCHE TO RECOMMEND ARTICLE 4, AS WRITTEN
MOTION SECONDED BY MEMBER MAGUIRE
MOTION CARRIED
8-0-0**

**MOTION BY BOARD MEMBER WILLIAMS TO RECOMMEND ARTICLE 4, AS PRESENTED
MOTION SECONDED BY MEMBER STOLL
MOTION CARRIED
6-0-0**

The School Board recommends: 6-0-0

The Budget Committee recommends: 8-0-0

Article 5

To see if the school district will vote to raise and appropriate up to the sum of **\$300,000** to be added to the previously established School Building and Facilities Maintenance Expendable Trust Fund. The sum to come from the Hollis Brookline Cooperative School District's June 30, 2023 unassigned fund balance, available on July 1, 2023.

Estimated foregone tax impact is \$0.11/\$1,000 in Hollis and \$0.19/\$1,000 in Brookline.

**MOTION BY COMMITTEE MEMBER BLANCHE TO RECOMMEND ARTICLE 5, AS WRITTEN
MOTION SECONDED BY MEMBER MAGUIRE**

MOTION CARRIED

8-0-0

**MOTION BY BOARD MEMBER WILLIAMS TO RECOMMEND ARTICLE 5, AS PRESENTED
MOTION SECONDED BY MEMBER STOLL**

MOTION CARRIED

5-1-0

Member Solon voted in opposition

The School Board recommends: 5-1-0

The Budget Committee recommends: 8-0-0

Article 6

To see if the Hollis Brookline Cooperative School District will vote to raise and appropriate up to the sum of **\$25,000** to come from the June 30, 2023 unassigned fund balance available for transfer on July 1, 2023 to be added to the previously established Special Education Expendable Trust Fund. No amount to be raised from taxation.

Estimated foregone tax impact is \$0.01/\$1,000 in Hollis and \$0.02/\$1,000 in Brookline.

**MOTION BY COMMITTEE MEMBER BLANCHE TO RECOMMEND ARTICLE 6, AS WRITTEN
MOTION SECONDED BY MEMBER MAGUIRE**

MOTION CARRIED

8-0-0

**MOTION BY BOARD MEMBER WILLIAMS TO RECOMMEND ARTICLE 6, AS PRESENTED
MOTION SECONDED BY MEMBER VANCOUGHNETT**

MOTION CARRIED

6-0-0

The School Board recommends: 6-0-0

The Budget Committee recommends: 8-0-0

Article 7

Shall the school district vote to authorize the School Board to continue to retain year-end unassigned general funds in an amount, in any fiscal year, not to exceed **2.5 percent** of the current fiscal year's net assessment in accordance with RSA 198:4-b a, II as amended in 2020, which requires the School Board to hold one public hearing before expending this retained fund balance, and requires the School Board to provide an accounting of the activities of this retained fund balance to the District in its annual report? (Majority vote required).

(Please note: The School Board is currently authorized to retain up to 1% of the District's net assessment in year-end unassigned general funds as an ongoing contingency fund. However, RSA 198:4-b was amended in 2020; thus, failure to pass Article 7 will cast doubt on the School Board's continued authorization to retain up to 1% under the new version of the law).

MOTION BY COMMITTEE MEMBER BLANCHE TO RECOMMEND ARTICLE 7, AS WRITTEN MOTION SECONDED BY MEMBER MAGUIRE

ON THE QUESTION

Committee Vice Chair Blanche commented although this is a good idea, timing may not be exactly right. Given the fact there have been a number of increases in other areas and articles, we should consider delaying this until next year.

Member Stanizzi commented after careful review and listening to community members, he believes there is the need to be more conservative. He would agree to the 1%.

Member Whalen commented it is advice from counsel that should we not agree to this that we would not necessarily be authorized to even retain the 1% because we have not authorized the revised RSA. Superintendent Corey stated that to be correct. On the side of wanting the article, the 2.5% would cover a large piece of equipment, e.g., roof unit, that we need to do, but at the same time for those trying to manage the multiple points, we have done most of our large units, and if the bond were to pass this year that would address a large number of other potential capital improvement projects. He does worry about the risk. One percent of a \$26 million budget is \$260,000. If we had one of our major units go, that would be the most expensive piece of a boiler. The high school boiler is over a million dollars. He is uncertain the district could find \$800,000 from within a budget. If the bond did not pass and a boiler went, he does not know where the funds would come from.

Member Stanizzi asked, what the process would be should the article not pass and say a million dollar item need to be replaced? Superintendent Corey responded were it a boiler the first question to be answered is if we could do a short-term repair to get us through that winter and to the next annual meeting. If it had to be replaced, then we start to look at what is in the Maintenance Trust and things of that nature. It has to be a major item. Lesser costs could probably be found from within the budget although not an easy task. The budget would likely have to be frozen, and steps taken to identify where funds could be taken from to cover the cost.

Member Stanizzi stated concern with the community's appetite for this.

Asked about the age of the two boilers Superintendent Corey spoke of as concerns, he indicated one to be 30 years and the other 25.

Committee Chair Mann commented when the legislation was updated, the maximum allowed not to exceed percentage was changed to 5%. Right now the Hollis School District has 2.5% and the Brookline School District 2%. The COOP School District has 1%. We do not have a contingency line in the budget. It is a “not to exceed” amount. Authorizing whatever percentage does not mean it has to be funded at all, it just allows the opportunity. If you were at year end when assessing what the retained fund balance should be, based on the recommendation of the Business Office/Administration, the Board could determine that dollar amount. Her concern with not approving the 2.5% language is the notation on the bottom. The problem, as she sees it, is if we move forward with this and it is not supported, we risk the 1%. If this is voted with no change we have lost the 1% also.

Vice Chair Blanche commented, if it is that important, perhaps this article should be ahead of the other two that are depending on the unassigned fund balance. The other issue is consideration of a different percentage amount. He feels the 2.5% is a little high.

Committee Member Blinn agreed with the suggestion of moving the article up in the warrant. He noted what is key to him is that it be not to exceed 2.5%. He spoke of confidence in the Administration in this regard.

Committee Chair Mann noted during the first couple of years this was in place, it was not funded to the full 1% allowable.

Board Chair Deurloo Babcock stated it is the School Board that will vote on the actual dollar amount (up to the percentage permitted) to retain. The Board has been consistent and faithful to the taxpayers and returned significant portions of funds to the taxbase. The order of the articles is under the purview of the School Board. It could be changed on the floor.

Committee Vice Chair Blanche stated he would support the article if it appeared as the first article that is proposed to be funded through the unassigned fund balance.

Board Vice Chair Solon commented, in general, the way it is structured and looking not at the percentage number, but the dollar amount, and what is likely to be funded by it, he believes the 1% is insufficient for the intent. However, he is concerned about the structure and risk. He does not know the audience and whether or not the 2.5% will pass. He does believe this will be a ballot vote. He is concerned with the risk involved. He questioned the will of the Superintendent in terms of putting this article before the voters or continuing with the 1% that was approved previously.

Superintendent Corey stated he would almost like to combine it with Article 8. If there is support for Article 8 all of a sudden there would be a contingency and a 1%, which would put the dollar amount at about \$300,000 and halfway to a piece of equipment or a third of the way to the boiler cost, which would be the largest comfort level there has been. He respects the opinions expressed as he is aware taxpayers are very supportive and want to do what they can but are concerned. It also concerns him that there is a citizens petition to take that 1% to zero. If this is viewed as reaching again, and we have the opposite, to him it is a fine line. Noted was that, at this time, projected is a surplus in the current year's budget.

Asked if the Superintendent is interested in putting the article forward hoping to achieve the 2.5% understanding, should the article not pass, there is the potential of losing the existing 1%. Board Chair Deurloo Babcock stated she would vote in favor of both this article and Article 8 with the hope that the community will see that we need to have some contingency monies for things like boilers. The community may go for both or one, but it is up to them to decide. As a School Board, we have to recommend what is best.

Board Vice Chair Solon suggested that to be an optimistic view. That means that we should ask for 5% because 5 would be better. He is concerned the perception is that this is a slush fund as it is undefined where it can be spent. He questioned if the contingency differs from how the unassigned fund balance is addressed.

Committee Chair Mann stated it does as the contingency is a line item in the budget. Superintendent Corey stated the School Board has control over it once it is passed (public hearing not a requirement). Board Vice Chair Solon questioned which is more likely to gain support. The way the articles are currently ordered, he believes one may pass, but not likely two.

Committee Vice Chair Blanche stated were he the one making the decision of the order of the articles, he would leave the language the way it is and move this one up in the order. He believes it would be supported.

Board Vice Chair Solon suggested the Board re-order the articles.

Committee Member Whalen reiterated the legislative body is free to make amendments from the floor. If the presentation at the Annual Meeting identifies what is desired, and the public decides they approve of the concept and do not wish to lose the 1%, he questions why they would not offer to change it to 1%, vote on whether to make the change and then on whether to pass it.

Board Vice Chair Solon remarked those that are opposed are opposed regardless of the percentage. He is uncertain what will prevail as it depends on who is in attendance.

MOTION WITHDRAWN

The suggestion was to renumber the article as the first for which funding would come from the year end unassigned fund balance.

Superintendent Corey stated concern that the Maintenance Trust Fund allocation, which has been the backbone of addressing the needs of our infrastructure, may not be funded. He believes it to be the most important work of the Business Office in establishing not only the Maintenance Trust Fund, but the Capital Improvement Plan that prioritizes the work to be addressed through the fund. He noted the 8th phase of the roof identified for completion this coming year at a cost of \$100,000 and is part of a \$2 million roofing project that has been done in phases over the past several years to avoid a bond and associated interest.

The suggestion was made that articles 6 and 7 could be switched. Superintendent Corey stated he could support that action.

MOTION BY SCHOOL BOARD MEMBER WHALEN TO RENUMBER ARTICLE 7 AS ARTICLE 6

MOTION SECONDED BY MEMBER WILLIAMS

MOTION CARRIED

6-0-0

**MOTION BY COMMITTEE MEMBER BLANCHE TO RECOMMEND THE RETAINED FUND
BALANCE AT 2.5%**

MOTION SECONDED BY MEMBER MAGUIRE

MOTION CARRIED

8-0-0

MOTION BY BOARD MEMBER WILLIAMS TO RECOMMEND THE RETAINED FUND ARTICLE LANGUAGE, AS PRESENTED

MOTION SECONDED BY MEMBER STOLL

MOTION CARRIED

6-0-0

The School Board recommends: 6-0-0

The Budget Committee recommends: 8-0-0

Article 8

To see if the school district will vote to establish a contingency fund for the current year for unanticipated expenses that may arise and further to raise and appropriate up to **\$125,000** to go into the fund. This sum to come from the unassigned fund balance available on July 1, 2023, and no amount to be raised from taxation. Any appropriation left at the end of the year will lapse to the general fund.

Estimated foregone tax impact is \$0.05/\$1,000 in Hollis and \$0.08/\$1,000 in Brookline.

MOTION BY COMMITTEE MEMBER BLANCHE TO RECOMMEND THE CONTINGENCY ARTICLE

MOTION SECONDED BY MEMBER MAGUIRE

MOTION CARRIED

8-0-0

MOTION BY BOARD MEMBER WILLIAMS TO RECOMMEND ARTICLE 8, AS PRESENTED

MOTION SECONDED BY MEMBER VANCOUGHNETT

ON THE QUESTION

Board Vice Chair Solon asked for clarification of what this is intended to fund and what the decision point would be of whether to fund through the retained fund balance or the contingency, assuming there are funds in both.

Superintendent Corey stated he would first look to the contingency as a line item in the budget. That might be an instance such as were enrollment to increase exponentially and an additional teacher needed or if an item were to come to the Board, from a curriculum standpoint (from now until the fall), which the Board felt should be funded. His goal always would be can he find what is needed in the operating budget. If unable to find in the operating budget, he would look to contingency. The goal is to stay away from the retained fund balance unless an absolute necessity.

Noted was that use of the retained fund balance requires a vote of the School Board and use of those funds has to be reported in the Annual Report.

Superintendent Corey added when having the contingency in the past, there was a gentlemen's agreement that the Board would always inform the Budget Committee prior to utilization, which is a practice that would continue. He feels the same way about the unreserved fund balance.

MOTION CARRIED

6-0-0

The School Board recommends: 6-0-0

The Budget Committee recommends: 8-0-0

Article 9 - Petition Warrant Article

To see if the Hollis Brookline Cooperative School District will vote to amend the Articles of Agreement of the Hollis Brookline Cooperative School District by adding the following new Article 12:

Article 12: The approval of a proposed amendment to these Articles of Agreement shall require a two-thirds (2/3) supermajority approval by ballot. The polls shall remain open, and ballots shall be accepted by the moderator for a period of not less than one hour following the completion of discussion on the question. If a two-thirds (2/3) supermajority of those voting on the question vote "yes", then the amendment is approved.

MOTION BY BOARD MEMBER WILLIAMS TO RECOMMEND ARTICLE 9 MOTION SECONDED BY MEMBER VANCOUGHNETT

ON THE QUESTION

Superintendent Corey questioned (for any article brought forth) whether it includes apportionment when it comes up again.

If it does, that, to him, is a monetary question, and one he feels the Budget Committee should take a position on. The requirement for a super majority could guarantee an apportionment formula for many years.

Board Vice Chair Solon commented on a perception from those who put this forth that it explicitly does affect apportionment as that was one of the reasons given to him as to what is driving this.

Committee Chair Mann replied, with that information, the Budget Committee will take a position on this article.

Superintendent Corey stated there is a conflict between this and another article in the agreement in terms of what it takes to pass things. However, legal counsel has stated it is a legal article as written. Therefore, it goes on the warrant. Counsel will be present at the night of the meeting to explain the potential conflict.

Board Vice Chair Solon questioned if counsel indicated whether there is a hierarchy here based on how recent something is? Would this have precedence over an existing article because it is newer? Superintendent Corey stated that would be one of his arguments to defend the position of the Board. At the same time, if it went to a Judge, it would be decided by a Court.

MOTION FAILED

0-6-0

Committee Member Rater noted the public hearing scheduled on this article. If voting on this tonight, he will abstain for that reason, but is not in favor of the article.

Superintendent Corey stated he posed the question of legal counsel and was informed neither the Board nor Committee had to wait until the conclusion of the public hearing to take a position on these articles. There is always the opportunity to take a vote prior to the Annual Meeting and change any position.

MOTION BY COMMITTEE MEMBER BLANCHE TO RECOMMEND THE PETITION ARTICLE CHANGING THE ARTICLE OF AGREEMENT VOTING THRESHOLD TO 2/3 SUPER MAJORITY MOTION SECONDED BY MEMBER MAGUIRE

ON THE QUESTION

Committee Vice Chair Blanche questioned some of the examples that come to mind when someone reads this. He wishes to understand the motivation.

Asked what this would change, Superintendent Corey responded this would mean any change to the current AoA would require a 2/3 majority to pass (currently requires is a simple majority). He provided the example of a school district decided space was needed for grades 7 and 8 and wished to propose expanding the two elementary districts up to grade 8. That would require a super majority to pass. Apportionment would require a super majority to pass.

Board Vice Chair Solon remarked changing the language to have a definition of a lease would require 2/3 to pass. Any change whatsoever for whatever reason would require 2/3 vote to pass.

Committee Chair Mann remarked, to this point, the only changes that have been made to the AoA have been for apportionment and housekeeping/clean-up of language e.g., when the AoA referenced a Junior High School. Board Vice Chair Solon remarked apportionment is the only issue we regularly anticipate coming up (once every 5 years at most).

MOTION FAILED

0-7-1

Member Rater Abstained

The School Board does not recommend: 0-6-0

The Budget Committee does not recommend: 0-7-1

Article 10 - Petition Warrant Article

Shall we adopt the provisions of RSA 32:5-b, and implement a tax cap whereby the governing body (or budget committee) shall not submit a recommended budget that increases the amount to be raised by local taxes, based on the prior fiscal year's actual amount of local taxes raised, by more than 5%?

**MOTION BY BOARD MEMBER WILLIAMS TO RECOMMEND ARTICLE 10
MOTION SECONDED BY MEMBER VANCOUGHNETT**

ON THE QUESTION

Board Chair Deurloo Babcock spoke of this article being the subject of a public hearing. This petition article has been seen quite a few times. We have heard the general comments from the public in the past.

MOTION FAILED

0-6-0

**MOTION BY COMMITTEE MEMBER BLANCHE TO RECOMMEND THE PETITION ARTICLE ADDRESSING THE 5% TAX CAP
MOTION SECONDED BY MEMBER MAGUIRE**

ON THE QUESTION

Committee Member Rater reiterated his concern with taking a position prior to a public hearing. He is opposed to the article.

MOTION FAILED

0-7-1

Member Rater Abstained

The School Board does not recommend: 0-6-0

The Budget Committee does not recommend: 0-7-1

Article 11 - Petition Warrant Article

To prevent taxpayer dollars from funding lobbying against the interests of parents and citizens, shall the Hollis Brookline Cooperative School District zero out budget line item "Fees, School Board" 10.2310.810.00.0?

**MOTION BY BOARD MEMBER WILLIAMS TO RECOMMEND ARTICLE 11
MOTION SECONDED BY MEMBER STOLL**

ON THE QUESTION

Board Chair Deurloo Babcock stated her understanding, were this article to pass, it would be advisory only. Superintendent Corey added the dollar amount passed by the voters then becomes the school district's money. There is the legal question around that, which counsel is investigating. The other piece he has concern with is that the article language characterizes that this represents all people. Our SAU is very diverse, and he is concerned that the language suggests we are lobbying against the interests of parents and citizens.

Asked for clarification of what that specific line is used to fund, Ms. Seeley stated it is dues to the New Hampshire School Board Association (NHSBA). That is the only expense in that line. Superintendent Corey expressed concern with the article noting the NHSBA provides all of the policy pieces, Administrators and the Board can call upon them and receive free legal advice, which is done quite frequently. If looking to fill a significant position within the SAU, the NHSBA is another organization that does that.

Board Chair Deurloo Babcock added the NHSBA maintains our policy manual and assists with policy development. They provide the School Board members with education related to laws and a significant amount of training. Were we to try and take that training as non-members, it would come at a cost.

Board Vice Chair Solon remarked the idea that the NHSBA is primarily a lobbying organization is a gross misrepresentation of what they do. The extent that they are a lobbying organization is that they annually poll all school boards in the State and send representatives/delegates to a convention to voice opinions. They do not independently generate positions. They act to coordinate the general activities of school boards in New Hampshire. It is a two-way communication and very transparent. It is open to the public. Even if you do not like the positions they take, the advantages they provide in terms of cost savings, education, and advocacy for

schools, school boards, and communities has a huge value. He does not believe the district could operate without an equivalent body available.

Committee Vice Chair Blanche questioned the amount the line item is funded at and was told it is \$5,500.

Board Vice Chair Solon commented this is to essentially muzzle us from being able to participate in the statewide communication between school boards and our legislative body. It is very rare that the majority of the school board members can go up to Concord, sit in on all of the different meetings, write position papers, etc., but we can make our concerns known to the NHSBA and they will communicate. They are our eyes and ears in Concord.

Committee Vice Chair Blanche commented like the Superintendent said, he uses them regularly to get advice, opinions, etc. that is worth a great deal more than \$5,500.

Drew Mason, Moderator, 61 Baxter Road, Hollis

Speaking to the article concerning the AoA, noted language in [RSA 195:8](#) “In either case, the cooperative school district may then by majority vote elect to apportion all such costs by the adoption of one of the formulas set forth in RSA 195:7, I(a), (b), or (c).”

Committee Chair Mann stated by majority vote we can amend an apportionment formula and we could approve it, but if we do not have a super majority, we cannot put it into our AoA that allows us to do it.

Mr. Mason suggested asking legal counsel, and stated his interpretation is you can do the apportionment formula independent of any other amendment.

Board Vice Chair Solon responded the question is that some of the proponents of the article believe that since this would be passed more recently it would therefore supersede any prior elements of the AoA. Mr. Mason stressed this is State law. Superintendent Corey noted legal counsel has pointed out a number of conflicts, but at the same time it gets very complicated, and does not mean we won't end up in court.

MOTION FAILED

0-6-0

MOTION BY COMMITTEE MEMBER BLANCHE TO RECOMMEND THE ARTICLE WHICH WOULD ZERO OUT THE ACCOUNT LINE FOR NHSBA FEES

MOTION SECONDED BY MEMBER MAGUIRE

ON THE QUESTION

Committee Member Whalen spoke of being offended by this article; it is the politically driven attempt to further defund public education. Its arguments are based on half truths and scare tactics. It is unfortunate that someone was driven to believe those things enough to make it a petition warrant article.

MOTION FAILED

0-8-1

The School Board does not recommend: 0-6-0

The Budget Committee does not recommend: 0-8-0

Article 12 - Petition Warrant Article

To reduce the Hollis and Brookline property tax burdens, shall the Hollis Brookline Cooperative School District rescind authorization under RSA 198:4-b II so that the Hollis Brookline Cooperative School District no longer retains any unassigned general funds under RSA 198:4-b II?

MOTION BY BOARD MEMBER WILLIAMS TO RECOMMEND ARTICLE 12

MOTION SECONDED BY MEMBER VANCOUGHNETT

MOTION FAILED

0-6-0

MOTION BY COMMITTEE MEMBER BLANCHE TO RECOMMEND THE ARTICLE

RESCINDING THE RETAINED FUND BALANCE

MOTION SECONDED BY MEMBER MAGUIRE

ON THE QUESTION

Committee Member Maguire questioned if this would have the same impact as the article recommending the 2.5%, e.g., would eliminate the authority to retain 1%.

Board Chair Deurloo Babcock responded it does not, as written, however, if that goes down to zero because it does not pass, someone could amend this to go up to 1%.

Asked if that would be considered a change of the intent of the article, Mr. Mason stated it would not be a change of the intent, it changes the subject. The subject, in his opinion is the retained fund balance. If Article 7 fails, as written, or fails at 1% it fails. If article 7 is amended to zero that is a different case.

Board Vice Chair Solon responded if article 7 fails then we are told that it reverts to zero because it essentially resets. If that went to zero, could someone then amend article 12 to effectively reinstate it? Mr. Mason stated his opinion to be that if article 7 fails you can take article 12 and amend it to whatever you want. As long as the subject is retention of the unassigned fund balance. However, if article 7 is explicitly amended to zero then you cannot.

Superintendent Corey responded if that is true then is article 12 moot and not covered by the Moderator? Superintendent Corey added he would contend if there is another article, unless there has been reconsideration to restrict it, that article is valid. Mr. Mason stated if article 7 went to zero then he would believe that 12 can be discussed and voted on but it is null and void.

Board Chair Deurloo Babcock restated if article 7 fails, but nobody makes a motion to change it to zero, then article 12 comes up, someone on the floor could then reinstate to some level. Mr. Mason stated that to be his opinion and that legal counsel should weigh in. If it is amended to zero and passes, then that is that.

Mr. Mason commented this is one of those articles where the Department of Revenue Administration has the final say.

Board Vice Chair Solon remarked if article 7 is amended to zero and it fails it still goes to zero, but then 12 could be used. Mr. Mason stated that to be his opinion.

Mr. Mason stated the worst of possible scenario is if both of those were to pass.

MOTION FAILED

0-8-0

The School Board does not recommend: 0-6-0

The Budget Committee does not recommend: 0-8-0

Article 13 - Petition Warrant Article

Shall we adopt the provisions of RSA 32:5 V-b, requiring that the annual budget and all special warrant articles having a tax impact, as determined by the school board, shall contain a notation stating the estimated tax impact of the article? The determination of the estimated tax impact shall be subject to approval by the governing body.

MOTION BY BOARD MEMBER WILLIAMS TO RECOMMEND ARTICLE 13

MOTION SECONDED BY MEMBER STOLL

MOTION FAILED

0-6-0

**MOTION BY COMMITTEE MEMBER BLANCHE TO RECOMMEND THE PETITION ARTICLE
TO PUT TAX IMPACTS ON THE BALLOT**

MOTION SECONDED BY MEMBER MAGUIRE

ON THE QUESTION

Committee Vice Chair Blanche commented when the briefings are provided there is always a tax impact cited. He questioned why this would be required.

Board Vice Chair Solon responded one of the issues is in anticipation of SB2.

Committee Member Stanizzi remarked effectively, we are already doing what this is asking for.

Committee Chair Mann noted it is not printed in the Annual Report.

Board Vice Chair Solon remarked the time by which it has to be posted by this method is to some degree premature and quite frequently the actual impact is in a state of flux as we approach the meeting.

Committee Member Stanizzi stated what is reported is a best effort estimate at the time. Board Vice Chair Solon remarked it is a question of is this necessary and beneficial to the process. If in the book it is one number and, on the presentation a different number and then spoken to as a third number, is that beneficial? That is a question of opinion apparently.

Committee Member Stanizzi reiterated he would say it is an estimate. One thing is not going to say \$0.33 and another \$10.00. It will be within a range that should be looked at as a best effort attempt to produce an estimate.

Asked to comment on how much estimates might vary, Committee Chair Mann responded she cannot say how much they would vary, but we have updated revenue estimates as the meetings have approached just because we move forward through the cycle, receive 1 or 2 months more data, and the Business Office is better able to

determine what type of revenue might be available, which would have an impact on the tax rate. Asked if she would characterize them as insignificant changes, she stated in some cases they have been significant enough that as the person calculating it, she would want to present the difference/change.

Board Vice Chair Solon remarked the big changes he has seen are when certain articles have actually been pulled at the meeting, which dramatically changes the landscape. He believes, to a large degree, the intent of this is met by the current group (Budget Committee). He could see that if we had a different operating group that was not nearly as thorough and/or transparent that this could well be called for, but where the group has traditionally opposed this because they felt they were fulfilling the obligation to the community and that there are benefits to having the most accurate information put forward, they have suggested to the Board and community not to support this. He is willing to defer to that group in that opinion.

Committee Chair Mann remarked one of the main reasons that she opposes this is from a context perspective. If you look at your tax bill you cannot see a COOP tax rate. You see a local education tax rate and that local education tax rate for Brookline is for K-6 and their portion of the COOP and for Hollis it is K-6 and their portion of the COOP. You cannot get to the COOP piece. To have it there you do not know the context of what that is even as a percent of what you're paying now.

Committee Member Stanizzi remarked it is a matter of satisfying some people's curiosity. Committee Chair Mann stated the public hearing documentation is posted, which includes the tax impact. For her it is a contextual reference and there is no other information that can go with the number. What has been asked in the past is can it go on with something that says it is \$0.03/\$1,000 and that is X percent higher than last year. Legal counsel has flat out said that you cannot do that. Without that kind of contextual reference it is effectively meaningless. You would have to add it to the Brookline school district side then try to figure out what your town tax impacts are. What the Chair of the Hollis Budget Committee and she both do at each of the annual meetings is put everything in context and present where the COOP or the Hollis School District sits within the entire tax bill, and in the COOP case it is the tax bill for Hollis and Brookline. That information is presented so that taxpayers can see how it all aligns.

Committee Member Stanizzi agreed it will look silly in cases where you see something is \$0.50 and it goes up to \$1.00, which is a 100% increase. You could have a plus or minus degree of accuracy. Committee Chair Mann remarked in the context of how it is presented, yes.

Committee Member Rater stated his perspective is different in that we have these articles that have dollar amounts on them and most people out there cannot put those dollar amounts into a context. Is \$10,000 a lot, is \$100,000 a lot, is \$19 million a lot? What is a lot of money? It is difficult putting that in context looking at a warrant article. If you have a tax impact on something it kind of gives you a sense of this is something that is minor or somewhat significant.

Committee Chair Mann added most people pick up the annual report when they walk into the meeting. Their best resource is to review the public hearing documents that are going to be put on the website and to review the annual meeting decks that will be posted in advance of the meeting. No one is going to get through a 100 page annual report.

MOTION FAILED

2-6-0

Members Mann, Blanche, Maguire, Whalen, Blinn, and VanCoughnett voted in opposition

The School Board does not recommend: 0-6-0
The Budget Committee does not recommend: 2-6-0

Article 14

To transact any other business which may legally come before said meeting.

- To take up any other items that may come forth as a result of the meeting.

REPORT OUT BY PROCESS OBSERVER

Board Member Williams remarked more time was spent on Deliberations. A good job was done particularly given last minute changes and legal advice.

ADJOURNMENT

MOTION BY BOARD MEMBER WILLIAMS TO ADJOURN
MOTION SECONDED BY MEMBER KATE
MOTION CARRIED
6-0-0

REPORT OUT BY PROCESS OBSERVER

Committee Member Whalen commented it was a well organized and well run meeting including plenty of interesting dialogue.

MOTION BY COMMITTEE MEMBER BLANCHE TO ADJOURN
MOTION SECONDED BY MEMBER MAGUIRE
MOTION CARRIED
8-0-0

The February 2, 2023 Joint meeting of the Hollis Brookline Cooperative School Board and the Hollis Brookline Cooperative District Budget Committee adjourned at 8:39 p.m.

Date _____ Signed _____