

BROOKLINE SCHOOL BOARD
JANUARY 12, 2022
MEETING MINUTES

A public hearing was conducted by the Brookline School Board on Wednesday, January 12, 2022, at 6:07 p.m. at the Captain Samuel Douglass Academy.

Kenneth Haag, Chairman, presided:

Members of the School Board Present: Erin Sarris, Vice Chairman
Karen Jew, Secretary
Rebecca Howie
Alison Marsano (arrived at 6:20 p.m.)

Members of the School Board Absent:

Also in Attendance: Andrew Corey, Superintendent
Gina Bergskaug, Asst. Superintendent of Curriculum and Instruction
Kelly Seeley, Business Administrator
Daniel Molinari, Principal, Richard Maghakian Memorial School
Patricia Bouley, Principal, Captain Samuel Douglass Academy
Brian Rater, Chair, Brookline Finance Committee
Cindy LaCroix, Brookline Finance Committee
Adam Goff, Brookline Finance Committee (arrived at 6:21 p.m.)

BROOKLINE SCHOOL DISTRICT
PROPOSED CAPITAL LEASE AND
CONTINGENT BOND WARRANT ARTICLE

The purpose of the Public Hearing was to present and obtain public input on the proposed capital lease and contingent bond warrant articles for the Brookline School District for 2022-2023.

Superintendent Corey provided a [PowerPoint](#) presentation. A chart was displayed that showed the Brookline School District enrollment history and forecast. Enrollment numbers continue to increase. Increased enrollment along with the dedication of more of the physical space to service students with IEPs and 504s have necessitated discussions around facilities. The district has developed self-contained programs within the buildings, which provide a better educational program for our students and cost avoidance for the district.

Projected enrollment identifies 607 students in 2027. Rapid growth has been seen in kindergarten; surpassing 80 students for the first time. The full-day kindergarten required space to accommodate.

In FY22, the cost per pupil in Brookline is \$15,833, and the state average is \$19,332.

Superintendent Corey explained the process that is undertaken to arrive at a draft budget. The proposed operating budget (\$10,429,549) represents a 4.0% increase over the FY22 approved operating budget (\$10,025,776). The main driver of the increase is special education costs. The total of the warrant articles (\$743,007) represents a 48.2% increase over FY22 (\$501,236). A large portion of that cost is the two lease/bond articles. The total warrant amount (\$11,172,556) represents a 6.1% increase over FY22 (\$10,527,012).

Addressing the tax cap calculation Superintendent Corey noted local revenue (\$906,000) represents a 10.1% increase over FY22, State Aid Grant (\$2,427,947) a 11.4% increase, and Retained State Tax (\$465,676) a 24.8% decrease. Total Tax Effort (\$7,372,933) represents a 6.8% increase over FY22 (\$6,906,404).

In accordance with the Tax Cap, the percent of increase cannot exceed 8%. The prior year fund balance has been removed per RSA 32:5-b 1-a. The Brookline School District returned approximately \$530,000 of unreserved fund balance to the tax base to be used to offset what has to be raised in taxes to support the FY23 budget.

The following overview was provided: Article 1 is elections. Article 2 is the capital lease (\$177,500 payments due in FY23 on an 18-year lease) for energy/enrollment, and EOL renovations. Article 3 is the lease contingency bond (\$37,500 amount payable in FY23 on a \$1.5 million lease), if article 2 were not to pass, this would ensure ADA compliance. Article 2 is a lease (equipment costs) requiring a simple majority to pass where a bond (structural projects) requires a three-fifths vote to pass. The \$37,500 cost in FY23 only represents a half year's interest.

Article 4 is the four-year support staff contract (\$58,299 for FY23). Article 5 is the operating budget (\$10,429,549 or 4.1% increase). Article 6 is the Special Education Trust (\$25,000) allocation from available Unassigned Fund Balance (UFB). Article 7 is the Maintenance Trust (\$75,000) funded from UFB. Article 8 is the SAU Budget (\$407,208), which requires a majority vote in all three of the districts within the SAU. Total FY23 warrant is \$11,172,556 or 6.1% increase.

A breakdown was provided of local revenue received. Revenue from preschool tuition shows a 7.7% increase, earnings remain constant, food service remains constant, special education aid shows a 34.6% increase, grants remain constant, the voted fund balance has a proposed reduction of \$40,000 or 28.6%, Medicaid is reduced by 7.0%. Kindergarten aid (\$131,662) was a one-time reduction and will not be received in FY23.

The fund balance to be returned to the tax base in FY23 is identified in the proposed budget as \$200,000, which is a reduction (\$317,582 or 61.4%) from what was able to be returned at the end of FY22. Other revenue represents an increase (\$13,000 or 35.1%). Total FY23 proposed (\$906,000) represents a decrease (\$434,290 or 32.4%) from the FY22 estimate (\$1,340,290).

FY23 State aid estimates include Adequacy Aid (\$2,427,947), which represents a 11.4% increase over FY22 and Retained Tax a decrease (\$153,558 or 24.8%) from FY22. Total State aid for FY23 is \$2,893,623, which represents a 3.4% increase over FY22 (\$2,797,900).

The FY23 tax effort of \$7,372,933 was compared to the FY22 tax effort (\$6,388,822). The Brookline School District tax rate for FY23 is \$10.56 or a 13.1% increase over FY22 (\$9.33) and the Brookline School District State Tax rate of \$0.90 represents a 2.0% decrease from the FY22 rate (\$0.92). Total Brookline School District Tax Rate for FY23 is \$11.46 or an 11.8% increase over FY22 (\$10.25).

Article 2 – Capital Lease

To see if the Brookline School District will vote to authorize the School Board to enter into a 18-year lease purchase agreement for **\$2,485,280** to finance the acquisition and installation of energy conservation equipment and related energy, ADA and security improvements at Richard Maghakian Memorial School and Captain Samuel Douglass Academy as recommended by the Brookline School District Facilities Committee; and to raise and appropriate the sum of **\$177,500** for payments due under the lease purchase agreement during the

2022-2023 fiscal year. This lease purchase agreement will contain an escape (non-appropriation) clause. (Majority vote required.).

Estimated Net Tax Impact - \$0.25/\$1,000

The project consists of LED lighting, efficiency controls (DDC), elevator, restructuring lower level, security, room renovations and ventilation, and ceilings at RMMS and LED lighting, efficiency controls (only on new boiler installation) and central boiler system LP at CSDA (approaching end of useful life). Identified were costs, savings and potential rebates for each of the components of the project. The total cost for RMMS would be \$1,915,520 with an energy savings of \$18,000 and potential rebates of \$69,000. Total cost for CSDA would be \$569,760 with energy savings of \$30,000 and potential rebates of \$90,000. Total project cost is \$2,485,280 with energy savings of \$50,500 and potential rebates of \$171,000.

Project would achieve ADA compliance and would include an elevator, a multitude of security improvements and restructuring what is currently the main entrance to RMMS.

Article 3 – (Contingent Article) – ADA Elevator/Security Improvements

In the event that Article 2 is not approved, to see if the Brookline School District will vote to raise and appropriate the sum of **\$1,500,000** for the purchase and installation of an ADA compliant elevator and related entry-way/security improvements for Richard Maghakian Memorial School as recommended by the Brookline School District Facilities Committee; and to authorize the issuance of \$1,500,000 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA Chapter 33); and to authorize the School Board to issue and negotiate such bonds or notes; and to raise and appropriate and additional sum of **\$37,500** from taxation for debt service payments payable on such bonds or notes during the 2022-2023 fiscal year. (2/3 ballot vote required).

Tax impact is based on the \$37,500 not the full price of the bond, which would be seen in year 2.

Estimated Net Tax Impact - \$0.05/\$1,000

With this article, looked at would be the elevator and security improvements. That is the total restructuring of the lower level. When entering the main entrance, you would enter into a new security area and office. Off of that would be a new school library. The existing library would be converted into two classrooms. There would also be an elevator installed making the entire building ADA compliant.

Testimony in Favor - None

Testimony in Opposition - None

Brian Rater, Chair, Brookline Finance Committee, questioned the efficiency controls for RMMS; specifically, the cost of \$234,910 and the projected energy savings of \$5,500/year. Depending on whether or not the rebate is achieved, the Return on Investment is 42 years. That equipment would need to be replaced long before that time.

Superintendent Corey stated the controls would be in place and the ventilation and other heating units put before the voters in a subsequent year. This would provide all of the infrastructure necessary when the new

heating units/ventilation is put in. By including it in phase I it will increase the efficiency of the boilers and the energy savings will increase over time when the other phases are completed.

At some point, the ventilation system has to be changed at RMMS. The conscious decision was made not to replace the boilers at this time given their age. The building is currently being run off of residential boilers, which are inefficient for the building. The system that would be put in for controls would also allow for upgrading when new boilers are installed down the road.

Chairman Haag commented one thing that struck him during the meetings with the contractor was the potential rebates being conservatively identified. There is a high level of confidence the rebates will be achieved. Asked if that is a fair statement, Superintendent Corey stated his belief it is. He spoke of discussions at the State level around energy, rebates, etc. The desire was not to make unrealistic projections not knowing exactly where the State will go.

Asked why fund balance would be considered revenue, Kelly Seeley, Business Administration responded that is the way the district has to calculate its paperwork to the Department of Revenue Administration.

Chairman Haag asked for clarification of Retained State Tax. The Statewide Education Property Tax (SWEPT) calculation passed by the Legislature will impact the FY23 budget. There was a change made that will reduce the statewide education property tax. Typically \$363 million is collected across the State and every community gets back dollar for dollar what they put in. It is estimated based on equalized value of the community and paid back based on assessed value without utilities. That amount has been \$363 million for a very long time. Last year the Legislature passed an RSA (for one year) identifying the amount to be collected for FY23 as \$262 million. At face value that concerns some of us; if you are collecting less that means we still have to cover our budget with less funding. What the law now says is that \$100 million less will be collected and the State will cover that \$100 million.

The \$262 million goes into the Educational Trust Fund, which has a balance of about \$1 billion, which is comprised of the Statewide Education Property Tax, lottery, tobacco taxes and things like that. The State has full confidence that the balance of that Educational Trust Fund will cover the \$100 million and for one year only the Statewide Education Property Tax is going to be reduced. The offset is on the Adequacy side. We will see the Statewide Education Property Tax go down and Adequacy Aid go up a bit. It is dependent on enrollment and Average Daily Membership (ADM).

Testimony in Favor

John Galeazzi, 110 North Mason Road

Asked if the Board was voting to do the capital improvements because of an issue or to gain efficiencies. Superintendent Corey responded at RMMS being looked at is an aging building and aging infrastructure (60 years old and has been addressed in pieces over time), e.g., residential boilers. This project starts the district on a more formal process of bringing the building current. A similar program is being completed in the Hollis Schools District where their buildings are about the same age as the Brookline schools. The project being completed in Hollis will result in decades of additional use. One of the reasons there is less work being proposed at CSDA is because it is a 20-year-old building and its infrastructure is in much better shape. The only piece that really needs a significant upgrade is the boiler; one boiler plant that has an extreme workload. It is likely we will look for a dual boiler system to avoid taxing the system on a daily basis during extreme weather like is being experienced currently.

Mr. Galeazzi noted mention made of potential energy savings and potential rebates and questioned why the description of potential. Superintendent Corey stated he never relies on anything that is under the control of the State. He does not want to guarantee those funds will be received. We have received all of the rebates through the program conducted in Hollis. With the amount of discussion occurring at the State level, he is more comfortable stating the savings/rebates are proposed and when it arrives it can be allocated to another piece of the project.

Mr. Galeazzi asked if the updates done in Hollis have been in place long enough to have gained an understanding of what the savings and rebates turned out to be. Superintendent Corey responded the district maximized its rebates (got everything that was available) and are seeing energy savings there. The district went to solar. Eighty-five percent of the buildings are now run off of solar. The district drastically reduced its energy consumption and is at the point where they are able to look circuit by circuit and identify what may be causing any spikes in usage. He provided the example of a fan in the kitchen that would go on. It had gotten off cycle over the years and was clicking on in the middle of the night. By putting in what he calls circuit followers, that spike was able to be identified and corrected.

Mr. Galeazzi questioned if the controls are monitored by an external company and if there is an associated fee. Superintendent Corey stated in Hollis what has been utilized is internal controls. The district has been collaborating with a volunteer energy committee that has looked at the buildings and started to target areas. Similar steps will be proposed at the COOP School District as the Administration starts to look at those buildings.

One of the reasons for moving in the direction of facility/energy improvements is the cost of a new facility. Amherst is proposing a new elementary school, K-5, with a price tag of \$55 million. Superintendent Corey stated his belief, if going through what would likely be three phases of improvements, we would likely add 20-30 years of useful life to the buildings.

Mr. Galeazzi asked if the district has projected what phases 2 and 3 will look like in terms of cost. Superintendent Corey stated phases 2 and 3 include the actual ventilation systems at RMMS and some upgrades to structural areas around offices, etc. At CSDA, it is the continuation of energy upgrades and updating the building. He provided the example of the projections that were used in Hollis. They went from about the same amount of money in the first round and came back 2-3 years later and asked for approx. \$3 million. Because of the low cost of borrowing at this time, the Hollis Budget Committee has recommended that the final \$2-2.5 million be taken out now to jump in before the rates increase.

Mr. Galeazzi asked if the project, as it is stated currently, accounts for projected population growth. Superintendent Corey stated what it does right away at RMMS is provide two additional classroom spaces, which will allow for 5 classrooms at each grade level. In one of the later phases is an addition to CSDA in the neighborhood of 3-5 classrooms, preparing for that enrollment growth.

Testimony in Opposition - None

The Public Hearing was declared closed at 6:45 p.m.

Date _____

Signed _____