

SAU 41 GOVERNING BOARD
DECEMBER 29, 2020
MEETING MINUTES

A regular meeting of the SAU 41 Governing Board was conducted on Tuesday, December 29, 2020 at 6:03 p.m. at the Hollis Brookline Middle School.

Erin Sarris, Chairman, presided:

Members of the Board Present: Cindy VanCoughnett, Vice Chairman
Beth Williams, Secretary
Tammy Fareed, Treasurer
Brooke Arthur, Secretary, Hollis School Board
Elizabeth Brown, COOP School Board
Kenneth Haag, Chairman, Brookline School Board
Rebecca Howie, Brookline School Board
Karen Jew, Secretary, Brookline School Board
Amy Kellner, Hollis School Board
Robert Mann, Chairman, Hollis School Board
Carryl Roy, Hollis School Board
Kate Stoll, Secretary, COOP School Board
Tom Solon, Vice Chairman, COOP School Board
Krista Whalen, COOP School Board

Members of the Board Absent: Holly Deurloo Babcock, Chairman, COOP School Board
Alison Marsano, Brookline School Board

Also in Attendance: Andrew Corey, Superintendent
Bob Thompson, Assistant Superintendent of Student Services

Due to the COVID-19/Coronavirus crisis, and in accordance with Governor Sununu's [Emergency Order #12](#) pursuant to [Executive Order 2020-04](#), this Board is authorized to meet electronically.

Board members and members of the Administration were participating via Zoom. Each member of the Board was asked to state, for the record, where they were, why their attendance in person was not reasonably practical, who, if anyone, was with them, and whether or not they were able to hear the proceedings.

Member Sarris

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

Member Arthur

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

Member Brown

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

Member Fareed

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

Member Haag

Stated he was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, he was alone in the room he was in, and could hear the proceedings.

Member Howie

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

Member Jew

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

Member Kellner

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

Member Stoll

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

Member Mann

Stated he was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, he was alone in the room he was in, and could hear the proceedings.

Member Roy

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

Member Solon

Stated he was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, he was alone in the room he was in, and could hear the proceedings.

Member Whalen

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

Member VanCoughnett

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

Member Williams

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

It was acknowledged all members participating electronically could be heard. The Board was reminded all votes would be taken by Roll Call.

APPOINTMENT OF PROCESS OBSERVER

Chairman Sarris appointed Krista Whalen to serve as Process Observer.

AGENDA ADJUSTMENTS

Superintendent Corey spoke of the Conflict Waiver request included as part of the [agenda](#) packet, and the desire for an item to be included under Deliberations, which would authorize the Chairman to sign the Waiver acknowledging awareness of the conflict.

Member Fareed requested Public Comment be moved to follow the presentation on the proposed FY22 budget.

**MOTION BY MEMBER FAREED TO AMEND THE AGENDA AS REQUESTED
MOTION SECONDED BY MEMBER MANN**

A Viva Voce Roll Call Vote was taken, which resulted as follows:

Yea: Erin Sarris, Brooke Arthur, Elizabeth Brown, Tammy Fareed, Kenneth Haag, Rebecca Howie,
Karen Jew, Amy Kellner, Kate Stoll, Robert Mann, Carryl Roy, Tom Solon, Cindy VanCoughnett,
Krista Whalen, Beth Williams

15

Nay:

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MOTION CARRIED

CORRESPONDENCE - None

APPROVAL OF MEETING MINUTES

SAU41 Governing Board [October 15, 2020](#)

The following amendments were offered:

Page 6, Line 26; replace “have” with “having”

Page 11, Line 45; replace “SECOND READING” with “FIRST READING”

Page 12, Lines 15-16; should state “ACCEPT THE SECOND READING, WAIVE THE THIRD”

**MOTION BY MEMBER ROY TO APPROVE, AS AMENDED
MOTION SECONDED BY MEMBER HAAG**

A Viva Voce Roll Call Vote was taken, which resulted as follows:

Yea: Erin Sarris, Tammy Fareed, Kenneth Haag, Rebecca Howie, Karen Jew, Amy Kellner, Kate Stoll,
Robert Mann, Carryl Roy, Tom Solon, Krista Whalen, Beth Williams

12

Nay:

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MOTION CARRIED

Members Arthur, Brown and VanCoughnett Abstained

PUBLIC HEARINGS

**MOTION BY MEMBER FAREED TO RECESS UNTIL THE CONCLUSION OF THE PUBLIC
HEARINGS ON THE UNRESERVED FUND BALANCE AND THE PROPOSED FY22 OPERATING
BUDGET**

MOTION SECONDED BY MEMBER MANN

A Viva Voce Roll Call Vote was taken, which resulted as follows:

Yea: Erin Sarris, Brooke Arthur, Elizabeth Brown, Tammy Fareed, Kenneth Haag, Rebecca Howie,
Karen Jew, Amy Kellner, Kate Stoll, Robert Mann, Carryl Roy, Tom Solon, Cindy VanCoughnett,
Krista Whalen, Beth Williams

15

Nay:

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MOTION CARRIED

The Board recessed at 6:11 p.m.

The Board reconvened at 6:59 p.m.

PUBLIC INPUT - None

DISCUSSION

• SAU Facilities – Long-Term Lease

Member Mann provided a presentation (can be viewed [here](#); tape counter 1:00) around a potential revenue model.

At last year's Annual Meeting, there was general agreement that renovation of the SAU office at 4 Lund Lane is justified. This conversation has been ongoing for several years; the Board has taken Town leaders, stakeholders, etc., on tours of the facility and built a conversation around the suitability of the facility to the operations of the SAU and keeping the property relevant to the operations.

Input received was a desire for more detail around a revenue model that would distribute the bond cost equitably among the districts that comprise SAU 41, and a desire for a lease agreement that would protect the investment.

The property currently operates in the absence of a long-term agreement. Any significant investment in that property is at risk without an agreement in place for long-term rental.

The revenue model structure provided was made up of two components and is subject to each of the districts including Hollis. Rent is an apportioned charge to each district via the SAU budget, and is based on the square footage rate. The rental cost covers 100% of the maintenance cost of the property. The cost of performing updates to the property is being considered as a direct charge to each district. The combined direct charges would cover 100% of costs associated to the bond that would be let to cover the cost of improvements.

The combined rent and direct/bond charges comprise the total annual expenses required to operate, maintain and cover costs of 4 Lund Lane for the administrative offices for the SAU. The Hollis School District is the landlord as the owner of the property and also a tenant as part of the SAU.

Discussions are being had around the ability to have direct charges that would allow for more latitude for discussions of splitting percentages of bond costs. Were the bond costs rolled into the rent, which is part of the SAU budget, it would be subject to the fixed apportionment of 51% COOP, 31% Hollis, and 17% Brookline.

Member Mann emphasized what was being discussed was a possible proposal not the proposal. The Hollis School District has considered many options, and the one being presented was the one Member Mann wished to take to the Hollis School Board for vetting.

Member Solon commented what is being addressed with the bond are improvements to the capital property, which is owned by the Hollis School District. It seems rather untraditional to ask a tenant to be a co-payer as opposed to assessing a rent level that is felt necessary to support the expense. Brookline will have no legal equity in ownership of the property, so it is surprising the desire would be to apportion bond payment for capital investment to Brookline.

Member Mann stated that was considered, and is covered later in the presentation. The desire is to remain open to how the model could be adjusted to address these type of concerns.

Member Solon commented what came to mind when this was first presented was if there were a transfer of ownership of the property from the Hollis School District to the COOP School District, where there is already a structure for shared equity, as a possible route if believed important to distribute bond expenses as well as charging rent.

Member Mann stated the desire to discuss that and the opportunities that may exist.

Member Mann provided a rent overview; the rent itself and how it is apportioned would not change. The model makes some assumptions. The first being that for the first 5 years there would not be a need for heavy maintenance on renovations to the barn area. The rental rate would be held at the current level (until 2026). In 2027, the current rate is applied to the total square footage (farmhouse and barn). In 2028, the square footage rate increases by 2% annually to cover expected labor and material increases.

The Hollis School Board may decide not to utilize this type of model. It could be that the need for an increase is reviewed every three years, as opposed to setting a 2% annual increase.

A twenty-year bond of \$1,536,000 at a 3% interest rate (have seen historically that actual bond interest rate is lower than estimated) would require an annual payment of \$125,865 (principal and interest) with the first year being an interest only payment of \$38,400. Bond contributions would be in addition to rent charges for each district (Hollis 55% and COOP and Brookline 45% combined).

The breakdown of the revenue model was identified as Hollis School District; rental rate of 31%/bond rate of 55%, COOP School District; rental rate (via SAU budget - no change to existing apportionment percentages) of 51%/bond rate (direct annual charge) of 22.5%, and Brookline School District; rental rate of 18%/bond rate of 22.5%.

Once the bond term expires, only maintenance costs are charged to districts via the SAU budget.

Member Mann remarked it is essential that all three districts comprising the SAU agree that this project is needed, worthwhile, and is supported. The Hollis School District is seeking to retain sole ownership and continue to act as the landlord of 4 Lund Lane with the interests of SAU 41 and associated districts at heart. Member Mann noted should the decision be made to vacate that property, and move into a commercial space, that landlord would be looking to make a profit on his property and really would not be concerned with the operations of the district or the best interest of the SAU. He wished for people to consider that the Hollis School Board has been running the property for close to 25 years, and has shown a long history of not wanting to turn the property into a revenue source. The desire is to run it, cover the costs, and help out the administrative staff.

The desire was for a sense of the Board relative to the Hollis School District proceeding in its efforts for funding a project for 4 Lund Lane, a general agreement to move forward, and a long-term lease that would be able to address a lot of the specifics. In addition, a general agreement that the nature of the revenue model is appropriate; not necessarily the numbers or percentages, but the approach.

Member Mann stated his impression, if the three districts were not in agreement, the Hollis School Board would not be interested in moving the proposal forward.

Member Haag asked for a high-level explanation of the impetus for the improvements. Member Mann spoke of the issue that arose with regard to the weight load on the attic floor as a result of record retention in the space. Positions and roles have increased over the 25 years that the property has been operated. The property has been a concern for quite a few years. Over the past several years, input has been received regarding space needs. In an effort to address the space needs of the SAU, the Governing Board has researched the needs and space availability in the area and the associated cost. There is the need and desire to keep the property relevant to the operations of the SAU.

Member Fareed noted there are 17 staff members in the 100⁺ year old building and a storage facility unit now located outside near the field to house materials to make space for the last office space in the building. There are people with desks at the top of the stair landing, 3 people sharing a 100+ year old bedroom as an office, an office having only 1 exit, people have to walk through the offices of others just to get to the bathrooms, there are two bathrooms for 17 people, and there is no storage for the voluminous amount of records that must be maintained.

The conference room has a table that will hold about 8 people only if the chairs are up against the wall. There is very little space for any confidential meetings. There is almost no place to put any further digital equipment, and we need to expand to keep up with how electronics are used. We are literally being mandated out of this footprint.

Member Mann noted there to be a great deal of detail available for review. When asked, he stated the proposal would include renovation of the farmhouse and the barn. Currently, the barn is not utilized, and would provide vital square footage for use by the Administration and ample storage space in the basement appropriate for securing and maintaining paper records required by State RSA.

Chairman Sarris stated her belief it is a project that needs to be done. As we move forward, she believes the individual boards would like a simplified understanding of how the costs would work. When you talk about paying for a bond for a project in Hollis, the nuance of that and how the Brookline board would support that to its voters is tricky. She would like to see a presentation that included information on costs related solely to rent versus the combination of rent and direct/bond cost. There would need to be a clear understanding for the board to reach consensus on a process to bring forward.

Member Mann responded they would be happy to review those opportunities, but at this point, there is the need to understand if such a proposal would be supported or if the school board should discontinue the effort. He requested to hear from those in opposition to the proposal. He would like to understand if the school board can improve the model so that it works for all stakeholders or if the support is simply not there.

Member Brown questioned the term desired for a long-term lease and was told consideration would be given to a lease that covers the length of the bond, as a starting point. Member Mann noted the financial and budget committee stakeholders provided input around the desire for an agreement to be in place so that the expense is not taken on only to then have the tenants leave.

Member Brown commented the other districts have an equal concern if only having a lease for the length of the bond, after contributing to the cost of the improvements. She commented the building isn't even a building and Hollis has allowed it to run down to this capacity. Hollis is aware of the condition as it was just pointed out that it has been going on for an advance of 10 years, and Hollis has done nothing to repair it. Now they are asking the other districts to basically pay the cost of the bond through the bond period, but at the end of the bond period we're not going to be guaranteed a long-term lease. A lease the length of the bond is going to be severely too short and is going to jeopardize all of the other districts you are asking to pay into this.

Member Mann stated his belief the Hollis School Board would be interested in a term that goes beyond that. Member Brown stated what you have been basically telling us is we need a take it or leave it at the end of this meeting tonight. Member Mann stated that not to be the case. Member Brown continued by stating you presented your slides, and you have asked for feedback, and now it is clear you don't want the feedback.

Member Mann stated that to be untrue, and that he wanted a conversation. He commented on the feedback provided having started out by suggesting the Hollis School Board is derelict of not improving the building. The Hollis School Board has only charged to maintain the building. Improving and maintaining are two very

different things. The Hollis School District is happy to enter into a conversation about the term. If it is agreeable to have it for the term of the bond that can be discussed. If the conversation is that the desired term of the lease is ten years beyond the life of the bond, the school board is open to that discussion.

Member Fareed noted the rent is retained in the building maintenance trust and is expended, almost completely, on maintenance matters. The school board has committed significant maintenance and renovation to the existing house to keep it in tact, structurally sound, and functioning as best it can. It hasn't been allowed to run down. It is just inadequate in size and scale for the current and future operations.

Member Brown restated it is a resource, an asset, of the Hollis School District, and beyond the term of the lease it has no value to the other districts.

Member Fareed stated that to be perfectly fine, she just takes issue with the idea that it has become derelict. It is not at all. It is perfectly sound; it is just inadequate for the operations.

Member Brown stated the point to be correct in that it is not appropriate even for the purposes it is being used. It is probably not appropriate to store stuff in a tub, and probably not appropriate to be having meetings in rooms that probably violate fire code.

Member Fareed interjected stating the rooms do not violate fire code.

Member Brown stated the concern she sees is trying to transfer the cost of a bond onto districts who have no ownership interest in the property. Those other districts are going to ultimately increase the value of the property, and at the end of that, if there isn't a lease that will provide the right to stay there longer at a set amount of rent, they basically run the chance that they will pay the bonded amount, improve the property, and now be subject to increased costs for rent for the property because it has been improved. Sounds like a horrible business decision from the aspect of the COOP.

She is of the belief this is a pivotal year for commercial real estate. The very idea of spending \$1.5 million on that piece of real estate in Hollis right now seems like a terrible idea when we know that the commercial market in the area where we are is on the substantial decline. We probably would be able to get a third-party rental space cheaper than spending the \$1.5 million to renovate that space, and maybe a more appropriate space. A fairly significant change in the property would have to be made and would displace the SAU staff for a considerable amount of time in order to make that workable, and you are still looking at an old farmhouse that isn't well insulated as your primary office facility for a \$51 million business.

A more suitable commercial site that very well may come available in Hollis at commercially more reasonable terms should be something the SAU looks at. She does not see a good reason to go forward with this proposal at this time. As Mr. Pauer pointed out, there are people in our community who are suffering, and anything added to their plates right now is not good timing. We are at a crossroads in the economy, and we need to wait to see how things shake out. We may find the perfect space to run the SAU at a much better cost.

Member Mann stated appreciation for the feedback. He noted research done on commercial properties (pre-COVID) indicates the cost of relocating to a commercial space is on par and in the long-term more expensive. COVID may change that data point at least temporarily. Talking to former board members, the reason why Hollis got 4 Lund Lane is because prior to that they were in a commercial space and they were tired of dealing with that situation. They had 4 Lund Lane as a property and sold it to the Hollis School Board for \$1. They wanted to house the SAU Administration under a district owned property.

If the conversations continue, if it makes sense to change that and go out and get commercial space, that is certainly on the table. The Hollis School Board has looked at the issue a great deal, and a lot of the items that were mentioned have been considered.

Member Fareed spoke of the school board having done a study of the property that was Harvest Market; they spoke to the owner, and that was going to be a \$10/sq. ft. rental without any fit-up costs. They also looked at the manufacturing property at the end of south Merrimack, which was for sale at approximately \$1.3 million. It is a manufacturing facility, and the cost would not include fit-up. They looked at the property across from the post office and again it was very expensive and completely unsuitable to the SAU's needs. It was very difficult to find property elsewhere in Hollis or Brookline that has the square footage and the utility that came in at a cost that was less than a commercial rate of about \$13/sq. ft., if already outfitted for offices. That was one of the reasons that drove the conversation back to looking at a property renovation rather than a move.

Member Solon stated his belief the challenge in the model being used is that it does not factor into it the requested contribution to the bond, which is effectively increased rent to everyone but Hollis. The graph that shows the combined input of rent and direct costs/bond, to the COOP and Brookline School Districts and particularly to Brookline residents who don't benefit from the Hollis School District, all the money paid towards the bond is effectively rent for that 20-year period, after which the rent drops back down. If the assumption that it is essential that the Hollis School District maintain sole ownership is a ground rule for moving forward then he recommended they reconstruct the model that shows only the Hollis School District paying the bond and identifies what the rent needs to be to allow that to happen. That is the only way he believes they will be able to get support.

If the desire is for the Hollis School Board to maintain sole ownership then the other districts are merely tenants and they have to evaluate their annual costs compared to renting elsewhere. Twenty years is a long time in the context of how our two communities have been discussing growth as far as being shared school districts. He suspects it could continue much longer than that, but you would have to put at least a 50-year lease in place to make it worthwhile for the other school districts to be investing in the equity of the property. Proposing that there be an assurance of 50-years of continued relationship with Hollis and Brookline is going to be a tough sell.

Member Mann remarked he has rough numbers, and if rolling the rental rate and the bond cost into a single square footage rental cost, it would be between \$12 and \$14 or \$15/sq. ft.

Member Solon remarked it could be that, even with that combined rate, it remains a valuable place to be a tenant. That is the viewpoint that needs to be enumerated.

Member Arthur stated her perception to be that a challenge the Hollis School District is faced with is the fact that it has historically charged such a low rental rate that effectively the property has been a shared asset across the districts. The rental cost has been sufficient to simply cover maintenance cost. It has not been a revenue source to the Hollis School District. This rent increase to cover the bond seems like a large jump, but the rent that has been charged has been much below market value.

Member Solon restated it is not a shared asset. The property could be sold for a significant amount, which would be a revenue generator for the Hollis School District alone.

Member Mann stated the desire to be to address a problem in a way that is worthwhile for the districts and Administrators.

Chairman Sarris suggested each of the boards include this matter as a discussion at their next meeting.

Member Mann restated this presentation was intended to be the first step in an ongoing conversation in an effort to address the issues.

- **Conflict of Interest Memo Regarding a Potential SAU Lease of 4 Lund Lane**

Superintendent Corey spoke of the natural conflict that would exist where he is the Superintendent of all four districts. As the Chairman of the Hollis School Board and a member of the SAU 41 Governing Board, Member Mann would also have a conflict. As the Chairman of the SAU 41 Governing Board and a member of the Brookline School Board, Chairman Sarris would also have a conflict.

Tom Closson, Esq. would represent the Hollis School District and James O'Shaughnessy, Esq. the SAU Board, they would create a letter identifying that conflicts exist/recognize that fact. That step will exist whether a decision is reached to move forward this year or later. He stated the desire for the Governing Board to authorize the Chairman to sign a document permitting the attorneys to conduct a conversation around this conflict and make it a known conflict so that discussions could be pursued around a potential lease.

DELIBERATIONS

- To see what action the Board will take regarding authorizing the Chairman to sign the Conflict of Interest Memorandum

MOTION BY MEMBER HAAG TO AUTHORIZE THE BOARD CHAIRMAN TO SIGN AN ACKNOWLEDGEMENT OF THE CONFLICT OF INTEREST REGARDING THE POTENTIAL SAU LEASE OF 4 LUND LANE
MOTION SECONDED BY MEMBER VANCOUGHNETT

A Viva Voce Roll Call Vote was taken, which resulted as follows:

Yea: Brooke Arthur, Elizabeth Brown, Tammy Fareed, Kenneth Haag, Rebecca Howie,
Karen Jew, Amy Kellner, Kate Stoll, Carryl Roy, Tom Solon, Cindy VanCoughnett, Krista Whalen,
Beth Williams

13

Nay:

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MOTION CARRIED

Members Mann and Sarris Abstained

- To see what action the Board will take regarding policy **EHAA** - Computer Security, E-Mail, Internet Communications

- 1st Reading; 2-4-20
- 2nd Reading 10-15-20

Given its 3rd Reading;

**MOTION BY MEMBER KELLNER TO ACCEPT THE THIRD READING AND ADOPT POLICY EHAA - COMPUTER SECURITY, E-MAIL, INTERNET COMMUNICATIONS, AS AMENDED
MOTION SECONDED BY MEMBER VANCOUGHNETT**

ON THE QUESTION

Member Kellner explained the main change from the last reading was to ensure all the headers are consistent with the title SAU 41 Governing Board Policy.

A Viva Voce Roll Call Vote was taken, which resulted as follows:

Yea: Erin Sarris, Brooke Arthur, Elizabeth Brown, Tammy Fareed, Kenneth Haag, Rebecca Howie, Karen Jew, Amy Kellner, Kate Stoll, Robert Mann, Carryl Roy, Tom Solon, Cindy VanCoughnett, Krista Whalen, Beth Williams

15

Nay:

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MOTION CARRIED

- To see what action the Board will take regarding policy **CBI** – Superintendent Evaluation
 - 1st Reading; 10-15-20 (as amended)

Given its 2nd Reading;

**MOTION BY MEMBER KELLNER TO ACCEPT THE SECOND READING, WAIVE THE THIRD, AND ADOPT POLICY CBI- SUPERINTENDENT EVALUATION, AS AMENDED
MOTION SECONDED BY MEMBER FAREED**

ON THE QUESTION

Member Kellner noted the policy has been amended to reflect the changes proposed at the last meeting, e.g., consistency in the header, capitalizing “Board”, clarifying between school district and SAU 41 district.

A Viva Voce Roll Call Vote was taken, which resulted as follows:

Yea: Erin Sarris, Brooke Arthur, Elizabeth Brown, Tammy Fareed, Kenneth Haag, Rebecca Howie, Karen Jew, Amy Kellner, Kate Stoll, Robert Mann, Carryl Roy, Tom Solon, Cindy VanCoughnett, Krista Whalen, Beth Williams

15

Nay:

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MOTION CARRIED

- To see what action the Board will take regarding policy **CBI-R** - Instructions for Superintendent Performance Review Process School District Boards
 - 1st Reading; 10-15-20 (as amended)

MOTION BY MEMBER KELLNER TO ACCEPT THE SECOND READING OF CBI-R - INSTRUCTIONS FOR SUPERINTENDENT PERFORMANCE REVIEW PROCESS SCHOOL DISTRICT BOARDS, AS AMENDED, WAIVE THE THIRD READING, AND ADOPT MOTION SECONDED BY MEMBER FAREED

ON THE QUESTION

Changes from the last meeting consisted of the clarification of “school district”.

A Viva Voce Roll Call Vote was taken, which resulted as follows:

Yea: Erin Sarris, Brooke Arthur, Elizabeth Brown, Tammy Fareed, Kenneth Haag, Rebecca Howie, Karen Jew, Amy Kellner, Kate Stoll, Robert Mann, Carryl Roy, Tom Solon, Cindy VanCoughnett, Krista Whalen, Beth Williams

15

Nay:

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MOTION CARRIED

- To see what action the Board will take regarding the Proposed Fiscal Year 2022 SAU 41 Operating Budget

MOTION BY MEMBER FAREED TO APPROVE THE FY22 BUDGET IN THE TOTAL AMOUNT OF ONE MILLION NINE HUNDRED FIFTY THREE THOUSAND TWO HUNDRED FIFTY SEVEN DOLLARS (\$1,953,257)

MOTION SECONDED BY MEMBER VANCOUGHNETT

ON THE QUESTION

Member Fareed spoke of the desire to provide data points in response to the public comment that was provided. When comparing Superintendent and Assistant Superintendent salaries, etc. or even the existence of the positions like Assistant Superintendent by simply looking at the DOE salaries list, what you cannot see there is how those districts are constructed. For example, in Bedford, they have no budget committee; a five member school board runs the entire school district for all of Bedford without other input. The Superintendent has one board, one budget, etc. to deal with. In Hollis, we have not only the two towns and a SAU, but we also have the COOP. The SAU staff is required to do the same job for four districts (including the SAU itself. To say that Superintendent Corey’s salary is in the top 10 of the state it doesn’t consider what his equivalent workload is.

Another comment made was the possibility of considering a 2% salary increase versus the 3%. That was considered very closely with respect to what the financial impact would be. A one percent change in the entire budget is equal to \$17,800. A one percent shift in just those two salaries is only a few hundred dollars.

The last thing that was brought up during public comment was the possibility of utilizing the unassigned fund balance. The Budget Sub-committee, which includes a member of the Brookline Finance Committee, the COOP Budget Committee, and the Hollis Budget Committee, as well as board members from the districts, flatly refused to do that on the basis of the prudence with maintaining a safety net in the unassigned fund balance. Member Solon remarked there seems to be a belief that our Assistant Superintendents are newly created positions. In prior years, the SAU had a Director of Student Services and a Director of Curriculum. Over time

both of those roles have been converted and retitled as Assistant Superintendents. In many cases, the responsibilities switched over, but added responsibilities were brought in primarily to cover the legal requirement of having a person of certain qualifications and title to run a board meeting. They were not added positions or personnel.

Another thing that continues to be brought up is the use of Consumer Price Index (CPI) as a good metric for looking at salary and budget changes. Where 92% of the SAU budget is salaries and benefits, there is a much more appropriate index, which is called the Employment Cost Index (ECI). Where CPI talks about the cost of buying a fixed basket of goods, the ECI is a metric of the cost of salary and of salary and benefits. They put it both ways. For those same timeframes that CPI was quoted, depending on which version of the ECI you use, that was up approximately 40%. When you look at the rise in the SAU budget, and measure it based on the cost of salaries, it is not as out of line as people would tend to think. Then add on to that the fact that the contribution to the New Hampshire Retirement System is up 107% and 270% over that same timeframe for the categories of employees that we have.

Our healthcare has gone up by a significant number. If you look at how our budgets have increased over the period relative to employee compensation costs, he would suspect that we have been below the metric not above it.

He suggested it is likely an appropriate time for the SAU board to reconvene a working group to look at health benefit options for the SAU. If wanting to look at ways of reducing costs overall, it must be systemic. Healthcare is one of the areas where he feels there may be an opportunity.

Member Mann stated his support for the reconvening of that group. He noted the NHRS increases combined with the GMR guidance received, is 52% of the increase. Fifty-two percent or \$75,144 is attributed just to the NHRS and the insurance increases.

Member Haag agreed stating of the roughly \$150,000 gross, \$75,000 is attributed to matters outside of our control. Another \$75,000 is around salary and taxes. Seventy-Five thousand dollars on a roughly \$1.9 million budget, from a cost growth perspective, is something he is fully comfortable with given the added actions discussed.

A Viva Voce Roll Call Vote was taken, which resulted as follows:

Yea: Erin Sarris, Brooke Arthur, Elizabeth Brown, Tammy Fareed, Kenneth Haag, Rebecca Howie,
Karen Jew, Amy Kellner, Kate Stoll, Robert Mann, Carryl Roy, Tom Solon, Cindy VanCoughnett,
Krista Whalen, Beth Williams

15

Nay:

0

MOTION CARRIED

REPORT OUT BY PROCESS OBSERVER

Member Whalen spoke of the efficiency with which the meeting was run, the number of items included on the agenda, and the level of discussion that occurred. She commented on the outstanding budget presentation.

ADJOURNMENT

MOTION BY MEMBER WHALEN TO ADJOURN

MOTION SECONDED BY MEMBER MANN

A Viva Voce Roll Call Vote was taken, which resulted as follows:

Yea: Erin Sarris, Brooke Arthur, Elizabeth Brown, Tammy Fareed, Kenneth Haag, Rebecca Howie,
Karen Jew, Amy Kellner, Kate Stoll, Robert Mann, Carryl Roy, Tom Solon, Cindy VanCoughnett,
Krista Whalen, Beth Williams

15

Nay:

0

MOTION CARRIED

The December 29, 2020 meeting of the SAU41 Governing Board was adjourned at 8:17 p.m.

Date _____

Signed _____