

**SAU 41 GOVERNING BOARD
DECEMBER 16, 2021
PUBLIC HEARING
MEETING MINUTES**

A Public Hearing was conducted by the SAU 41 Governing Board on Thursday, December 16, 2021 at 6:15 p.m. at the Captain Samuel Douglass Academy, Brookline, NH.

Krista Whalen, Chairman, presided:

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

Members of the Board Absent: Elizabeth Brown, COOP School Board
Alison Marsano, Brookline School Board
Erin Sarris, Vice Chairman, Brookline School Board
Kate Stoll, COOP School Board

Also in Attendance: Andrew Corey, Superintendent
Gina Bergskaug, Assistant Superintendent of Curriculum and Instruction
Kelly Seeley, Business Administrator
Linda Sherwood, Senior Assistant Business Administrator

**SCHOOL ADMINISTRATIVE UNIT #41
FY23 BUDGET**

Chairman Whalen stated the purpose of the Public Hearing was to present and obtain public input on the SAU 41 FY23 proposed budget.

Superintendent Corey provided a presentation, a copy of which was included with the [agenda](#).

The SAU 41 Budget Sub-committee is made up of members of the Administration and representatives from the 3 school district boards, the SAU Governing Board, and the Finance and Budget Committees of the two towns. The proposed budget was developed by the sub-committee and has been before this Board at its previous meeting and discussed with each of the individual school boards during their meetings.

The current year operating budget for the entire SAU is \$52.9 million. It comprises the SAU (\$1,957,257), Brookline School District (\$10,527,012), the Hollis School District (\$14,739,494) and the COOP School District (\$25,668,657).

In FY21, \$3.2 million was returned to the taxpayers across the SAU and in FY20, returned was \$1.9 million (based on reductions due to COVID).

The SAU has 2,410 students, 436 staff members, 695 volunteers, 97 coaching positions, 72 active substitutes, and process approx. 10,000 invoices annually.

Budget Comparisons to Last Year

The FY23 proposed budget (\$2,107,176) represents an increase of \$149,919 or 7.7% over the FY22 adopted budget of \$1,957,257. The FY23 proposed budget represents an increase of \$88,966 over the FY23 adjusted budget (\$2,018,210), which is calculated by adding to the FY22 approved budget any increases due to debt service, contracts or other obligations previously incurred or mandated, minus any one-time expenses. The adjusted budget is the budget that would be in place should the proposed budget fail at the ballot. The proposed budget must pass by a majority vote of all three districts.

Budget Drivers

Budget drivers include salaries (\$70,192); \$45,000 new Compliance and Communications Specialist position, \$16,000 Board approved salary adjustments (looking to remain competitive with neighboring districts, put funds into the budget to provide flexibility to make adjustment(s) based on competitiveness or performance), and 3.0% increase for all staff (contracts identify a range of 2-4%), benefits (\$64,042); \$32,555 for new compliance and Communications Specialist position, health insurance rates +3.9%, health insurance membership changes, and equipment/software (\$5,025); includes \$3,700 for four desktops and 1 laptop.

Budget Components

Budget components include salaries (\$1,339,563 or 64%), benefits (\$602,683 or 29%), and other (\$164,930 or 7%).

Budget Breakdown by Category

A chart was displayed depicting the budget categories, amount approved for FY22, amount proposed for FY23, and the dollar amount of each increase. Wages would increase by \$70,192, benefits by \$64,042, equipment & software \$5,025, professional development \$2,865, merit increase \$2,513, operations & maintenance \$2,482, expendables \$1,900, services \$800, and travel \$100. The total proposed increase is \$149,919 or 7.7%.

Proposed Compliance and Communications Specialist position

Proposed is the position of Compliance and Communications Specialist. This need is identified based on increasing demands for compliance documentation and other communication matters that absorb a significant amount of time of the senior district leadership and cut into the time needed to carry out their primary functions of educational and fiscal management. Salary and benefit costs total \$77,555.

The goal of the position is to generate compliance documentation and assist the Superintendent and Assistant Superintendent in conveying important/required information regarding the school district to the Department of Education, school boards, school community, and public. The general duties of the position were highlighted.

Unassigned Fund Balance

When revenue exceeds expenses at year-end the balance is placed in the Unassigned Fund Balance (UFB). The UFB, as of 7-1-2021, was \$171,438. Projected use in FY22 and FY23 is \$0 resulting in a projected ending balance (6-30-23) of \$171,438. The target range for the UFB is 7-10% (of total budget). The FY23 ending balance represents 8.1%.

Revenue

Revenue generated from grants/indirect costs in the amount of \$4,000 reduces the total amount that would have to be raised through taxes to \$2,103,176.

Budget Apportionment by District

Distribution is determined by a calculation using equalized valuation as provided by the State and the Average Daily Membership of students. The total of \$2,103,176 is distributed/apportioned as follows: Brookline \$407,208 or 19%, Hollis \$625,021 or 30% and the COOP \$1,070,947 or 51%.

Warrant Article

The Warrant Article for the SAU budget will identify the total amount to be raised through taxes of \$2,103,176 and an adjusted budget of \$2,018,210.

Chairman Whalen opened the floor for public comment at 6:40 p.m.

David Parry, 3 West Hollis Road, Hollis

Spoke of having reviewed some of the material available prior to the meeting. He was the Director of a not-for-profit who understands and has implemented budgets. He questioned where the current budget stands.

Superintendent Corey noted the agenda packet that was posted online includes an Expense and Revenue Report, which will be discussed during the regular meeting. That report notes the anticipated surplus, as of 12-2-21, of \$22,035.

Mr. Parry questioned the amount of increase compared to the FY19 budget. He stated it to be 37.5% or a \$575,000 increase. That is a monstrous increase. He understands part of that relates to two new positions. He spoke of the need to be mindful of the current inflation rate (currently 6-10%). That will eat up all of the funding allocated for the new position and then some.

The one thing that is not going up at the rate of inflation is his pension. There are many people who will be hurt by large increases. That is what drove him out of his home in CT.

Mr. Parry commented there are times when a new position can result in reducing of costs in some way or the cost of the position can be offset by income it will generate. He questioned if either of those scenarios can be applied to the requested position.

Mr. Parry questioned if there is an inflationary factor built into the budget.

Superintendent Corey stated it is not from a set percentage, but the Administration is looking at increases that have been seen in costs when budgeting for the future.

Sue Homola, 15 Mendelssohn Drive

If the purpose of the new position is to do administrative work, would it not be more cost effective if we were to use a long-term temp. agency? If we had to pay someone \$20/hour for 4 hours/week year-round, the cost would be \$38,000. At that point, if things change you would not be on the hook for a whole person. Are we considering that, and if not, why not?

Superintendent Corey stated the SAU has used temp. agencies in the past sometimes with success and sometimes it has not gone that well. In terms of the temp. agencies currently, there is a shortage everywhere for bodies. Most people are looking for permanent positions. We do not know how successful we would be going through a temp. agency. The work has existed for multiple years, and we intentionally did not go in this direction even though we had board members as far back as 5-6 years ago recommending that we needed to move in this direction. If the Board were to want to go in that direction, the SAU would be happy to do that. Some temp. agencies have started to provide benefits, so the cost of the person is not as cheap as it used to be. If you find someone and they work out great the temp. agency usually has a fee to secure that person if that is who you want to hire.

Ms. Homola remarked, if looking for someone to do administrative work, generally that position is anywhere from \$38,000 to say \$52,000 per year. Why is this cost \$77,000?

Superintendent Corey stated the salary is \$45,000. Benefits make up the remainder; health insurance (family plan between \$20,000 - \$24,000 and two person plan approx. \$16,000), dental insurance, New Hampshire retirement, which the State no longer contributes to, etc.

Ms. Homola questioned why create one more vulnerability? If there is an option for a temp., she would think it would be a \$38,000 savings to try that approach.

Michelle St. John, 29 Orchard Drive, Hollis

Historic numbers do not tell the story of the history. The hiring of the Facilities Director was prudent to keep the buildings running.

Regarding the proposed new position, she stated she was one who recommended this position many years ago. She remarked, as someone who works in the communications field, she can say it is a steal at that price. Someone spending that amount of time and enhancing communications on top of compliance requirements is a lot of work for small compensation.

She spoke of attrition and the volume of work being put on our administration, being another prudent reason for adding this position. We have an excellent district with wonderful leadership, and she would hate to think of the amount of time the Superintendent and Assistant Superintendent spend on those tasks. She suggested providing information on the amount of their time this position would free up may be helpful when bringing the budget forward to district meetings.

The Public Hearing was declared closed at 6:51 p.m.

Date _____

Signed _____
SAU Governing Board Chair