

SAU 41 GOVERNING BOARD
DECEMBER 15, 2016
MEETING MINUTES

A meeting of the SAU 41 Governing Board was conducted on Thursday, December 15, 2016 at 6:00 p.m. at the Hollis/Brookline Middle School.

Tom Solon, Chairman, presided:

Members of the Board Present: Laurie Miller, Vice Chairman
Lauren DiGennaro, Treasurer
Chris Adams, Hollis/Brookline COOP
Tom Enright, Hollis School Board
Matthew Maguire, Chairman, Brookline School Board
Robert Mann, Chairman, Hollis School Board
Eric Pauer, Hollis/Brookline COOP
Erin Sarris, Secretary, Brookline School Board
Michelle St. John, Secretary, Hollis School Board
Cindy VanCoughnett, Hollis/Brookline COOP
Krista Whalen, Hollis/Brookline COOP

Members of the Board Absent: Tammy Fareed, Secretary
Holly Deurloo Babcock, Secretary, Hollis/Brookline COOP
Elizabeth Brown, Chairman, Hollis/Brookline COOP
Kenneth Haag, Brookline School Board
Patricia Lynch, Vice Chairman, Brookline School Board

Also in Attendance: Andrew Corey, Superintendent
Gina Bergskaug, Assistant Superintendent
Kelly Seeley, Business Administrator
Linda Sherwood, Assistant Business Administrator

APPOINTMENT OF PROCESS OBSERVER

Chairman Solon appointed Chris Adams to serve as Process Observer.

AGENDA ADJUSTMENTS

A request was made to adjust the agenda by allowing for a discussion of the Superintendent's evaluation process; specifically the online evaluation form and timetable for compilation/completion.

Chairman Solon stated the desire to discuss the potential of changing the Thursday, February 9, 2017 meeting date.

There being no objection, the agenda was adjusted to add the discussion of the Superintendent's evaluation following acceptance of meeting minutes and the potential for a change to the February meeting date under agenda building.

PUBLIC INPUT

Maryanne Shanley, 7 Buttonwood Drive

Thanked members of the Board for their dedication and commitment to the SAU and community.

Speaking with regard to the proposed FY18 budget, Ms. Shanley stated her understanding the budget is above guidance, which she finds reasonable particularly given increases such as that associated with the New Hampshire Retirement System.

APPROVAL OF MEETING MINUTES

SAU 41 Governing Board October 13, 2016

MOTION BY MEMBER MILLER TO ACCEPT AS PRESENTED

MOTION SECONDED BY MEMBER MANN

1 **MOTION CARRIED**

2 **9-0**

3 *Members Adams and Enright Abstained*

4
5 SAU 41 Governing Board – **Non-Public Session** October 13, 2016

6
7 **MOTION BY MEMBER MILLER TO ACCEPT AS PRESENTED**

8 **MOTION SECONDED BY MEMBER MANN**

9 **MOTION CARRIED**

10 **9-0**

11 *Members Adams, Enright, and Whalen Abstained*

12
13 SUPERINTENDENT EVALUATION

14
15 Ms. Miller informed the Board the instructions and link for completion of the online evaluation would be sent out, via email,
16 in the coming week. Members are asked to complete their individual input a week prior to their January School Board
17 meetings. School Board Chairs will compile the input to be discussed and approved at the district level during the
18 January meetings. The School Board Chairs will provide the input to the Superintendent Performance Evaluation
19 Committee (SPEC). The SPEC will compile the individual district forms into a final evaluation to be approved at the
20 February SAU41 Governing Board meeting.

21
22 **MOTION BY MEMBER MILLER TO RECESS UNTIL THE CONCLUSION OF THE PUBLIC HEARING ON THE FY18**
23 **BUDGET**

24 **MOTION SECONDED BY MEMBER MANN**

25 **MOTION CARRIED**

26 **9-0**

27
28 *The Board recessed at 6:20 p.m.*

29 *The Board reconvened at 6:47 p.m.*

30
31 **Member Miller departed**

32
33 Mr. Mann commented at the district level unexpended appropriations that remain at year end can be returned to the
34 general fund of the Town. At the SAU level unexpended appropriations roll over from year to year and make up the
35 unassigned fund balance. Because of that, he believes there may be an opportunity to consider a policy that governs the
36 percentage of unassigned fund that should be retained to address unanticipated costs, emergency situations, etc. Having
37 such a policy in place would provide guidance to future boards. He stated his desire for the Board to consider such a
38 policy.

39
40 DISCUSSION

- 41
42 • SAU 41 – 4 Lund Lane Property – Rental Discussion Update

43
44 Superintendent Corey stated approximately a year ago the Hollis Budget Committee requested the Hollis School Board
45 and the SAU look at the rental fee for the 4 Lund Lane facility. It has been at a flat fee of \$8,000 (\$1.36/sq. ft.) since the
46 Hollis School Board took ownership (early '90s) and the SAU moved in. A review of commercial properties in the area
47 identified the least expensive property available that would suit the needs of the SAU to be priced at approx. \$4.00/sq. ft.
48 The Hollis School Board was presented with a variety of scenarios, and made the determination to move towards a cost of
49 \$4.25/sq. ft. Utilizing a phased in approach to increasing the fee, in three years' time, the total cost will be \$24,939/year,
50 which still reflects a bargain for rental and commercial property as it is used.

51
52 The phased in approach was determined as a means of avoiding a large spike in budgets that were already in process.
53 The increase set for year one is \$5,000. This coming April the phased in approach will be discussed, e.g., whether to take
54 the remaining balance and divide it in half for years two and three, etc. The revenue generated goes into the SAU
55 Maintenance Fund, and is used for the upkeep of the facility. The belief is yearly revenue of \$25,000 would be
56 appropriate to cover costs associated with an aging farmhouse being utilized as commercial offices.

57
58 Chairman Solon questioned if the \$25,000/year is viewed as a necessary amount to sustain the building as well as
59 address necessary capital repairs. If only enough to sustain the existing facility, he questioned where the funds would
60 come from to make up any deficit, and how such capital items are currently being addressed. Mr. Mann stated the items

1 are simply not being addressed. The \$8,000 rental fee has been solely to sustain the building. There have been
2 opportunities to make minor improvements, but there are aspects of the farmhouse that need to be upgraded to be more
3 in line with an office facility.

4
5 Mr. Maguire provided the scenario of a furnace failure at the facility, and questioned where replacement cost would come
6 from. Superintendent Corey stated that cost would be funded through the Maintenance Trust Fund. Mr. Maguire
7 questioned the fund balance, and whether or not it is currently sufficient to cover such a scenario. Ms. Seeley stated her
8 recollection it is around \$35,000.

9
10 Mr. Pauer questioned if the barn is counted as part of the usable space. Superintendent Corey stated the barn space
11 (unheated) is not identified within the calculation, and is only suitable for storage of items such as school desks. Mr.
12 Adams stated his understanding portions of the upkeep or maintenance are built into the SAU budget. His past
13 understanding was that the Maintenance Trust Fund was intended for material improvements to the building. He stated
14 his belief there are monies included in the budget for maintenance, etc. that could address some of the capital items. Ms.
15 Seeley stated the small sums identified are for minor repairs such as a door that was replaced. Such items would be
16 viewed as expenses not as capital projects. Mr. Adams questioned if maintenance of the building grounds is handled
17 under the SAU budget, and was informed it is.

18
19 Ms. Sarris questioned the useful life of the facility, and whether lower rental rates would eventually result in a capital
20 expense that is not financially feasible, and questioned the benefit of the lower cost for a facility that is not as conducive to
21 the work of the SAU Administration as one would wish. Mr. Mann stated the Hollis School Board conducts a facilities
22 study about every five years to determine if the facility remains relevant to the overall mission of the SAU, etc. One of the
23 things uncovered during the last study was the large amount of storage that could have placed the structure at risk
24 because of the weight load in the attic. That has since been addressed.

25
26 The SAU41 Governing Board, the Selectmen, Budget and Finance Committee members, etc., were all invited to
27 participate in facility tours to view all aspects of the facility. Those who attended indicated a desire to see the building
28 reach a state where it could be considered a serious commercial office building.

29
30 Chairman Solon noted the Hollis School Board conducted a pretty thorough evaluation last year including bringing in
31 architectural analysis as well as market comparisons, and the feeling was that they have identified key items that have
32 reached a tipping point where they either get addressed now or degradation will accelerate. The first issue was structural,
33 which was the improper loading. That was viewed as critical, and has been addressed. In addition to that, there are
34 things that if left unchecked would cause increasing failure. Once those are done, the belief is it will be a stable
35 environment, although not necessarily a modern office environment. From that point forward then you get into the area of
36 upgrades as opposed to damage control.

37
38 Mr. Mann stated the Hollis School Board would be happy to present the Board with an update on the plans for moving
39 forward in terms of a capital improvements and a prioritization of those plans to show how it aligns to the new square
40 footage rate.

41
42 Chairman Solon commented during his tenure on the Board, there have been two occasions where a review was
43 conducted of whether it makes sense to invest in the current facility versus seeking an alternate location for the
44 Administration. In both instances, the cost of making that switch has been viewed as excessive and more than could be
45 tolerated.

46
47 Mr. Enright questioned if the building still requires the use of space heaters to keep employees in the upper floors warm,
48 and was informed it does. He stated that alone tells him that the building is inadequate in its current state. He stated
49 there to be capital work that needs to be done in that building to make it adequate.

50
51 • SAU Staffing- Update

52
53 Superintendent Corey stated the Accounting Specialists; Judy and Debbie, are both winding down, and will be retired at
54 the end of the month. Debbie will be coming back to do some work during tax season. The SAU has hired Cathy Ponder,
55 who has been on board since the end of September. The Administration is in the process of hiring the second Accounting
56 Specialist. Denise Norton, Assistant Business Administrator, has resigned from her position. The Administration has
57 been actively advertising, and has offered the position to Kristen Maher who comes from a position as Staff Accountant at
58 a firm in Salem, NH. She will be joining the SAU and taking over as the Assistant Business Administrator for the Hollis
59 and Brookline districts on January 3rd.

1 Superintendent Corey stated the current market is very competitive, and it has proved difficult to attract the quality of
2 people desired. The SAU has been fortunate in its ability to attract quality people because they are looking for this type of
3 environment.

4
5 DELIBERATIONS

- 6
7 • To see what action the Board will take regarding Policy GAA – Job Descriptions; 2nd reading
8 First Reading 10-13-16
9 *Given its second reading;*

10
11 Chairman Solon noted there have been no changes proposed to the policy since it was last before the Board.

12
13 **MOTION BY MEMBER MAGUIRE TO ACCEPT THE SECOND READING, WAIVE THE THIRD READING, AND**
14 **ADOPT POLICY GAA – JOB DESCRIPTIONS**

15 **MOTION SECONDED BY MEMBER ENRIGHT**

16 **MOTION CARRIED**

17 **9-0**

- 18
19 • To see what action the Board will take regarding the SAU 41 FY18 Budget.

20
21 **MOTION BY MEMBER DIGENNARO TO APPROVE THE FY18 BUDGET IN THE TOTAL AMOUNT OF ONE MILLION**
22 **FOUR HUNDRED NINETY EIGHT THOUSAND SIX HUNDRED AND THIRTY DOLLARS (\$1,498,630)**

23 **MOTION SECONDED BY MEMBER ENRIGHT**

24
25 ON THE QUESTION

26
27 Mr. Mann thanked those involved in the process of bringing forward the proposed budget, and stated his support of the
28 recommendation to utilize monies from the unassigned fund balance to offset some of the one-time/non-recurring costs.

29
30 Mr. Pauer mentioned his concern with the growth in healthcare costs. He questioned why the District would pay the large
31 sum proposed for course reimbursement for the Director of Students Services. He spoke of having requested and
32 received the NESDEC projections for SAU 41 from the Superintendent. According to the most recent projections, the K-
33 12 school district in SAU 41 is actually declining in population for the next three years. If looking at it from a macro level
34 you would like to say if the population is declining why is the SAU budget increasing 3.5%. He stated a desire to utilize a
35 larger amount of the unassigned fund balance to reduce the amount of increase.

36
37 Mr. Adams stated his opinion an additional \$20,000 could be transferred from the unassigned fund balance to help defray
38 costs. He stated his hope health insurance costs will reduce dramatically over the next couple of years as well as some of
39 the operational costs. He questioned if the majority of software costs are one-time costs. Ms. Seeley stated there to be
40 very little percentage that would be considered one-time costs; approx. 90% of the identified cost is associated with the
41 BudgetSense software. Beyond that, she believes the other cost is associated with an aging copy machine (leased).

42
43 Superintendent Corey explained the Board would need to approve the total appropriation. Any vote of the Board to utilize
44 unassigned fund balance would increase the revenue offset.

45
46 Mr. Adams stated his desire to reduce the amount of appropriations by \$20,000.

47
48 **AMENDED MOTION BY MEMBER ADAMS TO APPROVE THE FY18 BUDGET IN THE TOTAL AMOUNT OF ONE**
49 **MILLION FOUR HUNDRED SEVENTY EIGHT THOUSAND SIX HUNDRED AND THIRTY DOLLARS (\$1,478,630)**

50 **MOTION SECONDED BY MEMBER PAUER**

51
52 ON THE QUESTION

53
54 Ms. Whalen stated the coursework the Director of Students Services is engaged in will result in her becoming a Board
55 Certified Behavior Analyst. She stated her understanding the SAU currently utilizes consultant(s) to fill that role. Once
56 certified, the Director of Student Services can serve in that capacity. There will continue to be the need to utilize
57 consultants in some instances, but the \$12,000 investment will pay for itself in dividends. Mr. Adams stated agreement,
58 and his hope that the SAU is able to retain Ms. Rowe's services well into the future.

59

1 Ms. Sarris remarked she sees costs such as course reimbursement, merit increases, etc. as a means of retaining
2 employees. Mr. Adams commented his desire is to reduce the overall budget by what he believes to be a reasonable
3 amount.

4
5 Ms. DiGennaro remarked, if the \$20,000 were taken out of the appropriations, as proposed, that would lower the default
6 budget as well. The default budget is calculated based on the amount of the proposed budget. Mr. Adams stated it is not
7 a ratio to each other. Ms. DiGennaro responded it may not be the exact amount, but it would lower the default budget.
8 She stated her preference to look to the unassigned fund balance as a means of lowering the amount that has to be
9 raised through taxes.

10
11 Chairman Solon commented New Hampshire is one of the two states with the lowest unemployment rate in the country at
12 this time. As a result, hiring is very difficult, and those looking to hire are faced with having to offer greater salary, etc. He
13 stated concern with taking measures that would create a situation where the SAU would run the risk of losing qualified
14 personnel. One of the things that are going best at this time is the Administrative team the Superintendent is building in
15 that office. There is a support structure and an organization that is functioning really well, and issues are already being
16 seen with attrition not through anything other than normal means. The costs of hiring are somewhat invisible but very
17 real. He stated he would not be opposed to revenue discussions, but is reluctant to remove items from the proposed
18 budget.

19
20 Ms. Sarris commented mention was made of the anticipation of the cost of health insurance reducing over the next couple
21 of years, and stated her opinion that is not something that should be considered or expected. She is of the belief it would
22 be a huge risk to make a judgement call on the budget based on an anticipation of health insurance costs going down. Mr.
23 Adams stated there to be good data that has been around for a few years; not necessarily in the global perspective, but
24 within the SAU, e.g., when budgeting the GMR year after year and never coming close to the GMR. Chairman Solon
25 noted the SAU has not typically budgeted at the maximum rate.

26 **MOTION FAILED**

27 **1.20-7.80**

28 *Members Solon, DiGennaro, Enright, Maguire, Mann, Sarris, St. John, VanCoughnett, and Whalen voted in opposition*

29
30 ***Vote on the Main Motion to approve the FY18 budget in the total amount of \$1,498,630.***

31
32 **MOTION CARRIED**

33 **7.80-1.20**

34 *Members Adams and Pauer voted in opposition*

35
36 **MOTION BY MEMBER DIGENNARO TO ALLOCATE THE SUM OF SEVENTEEN THOUSAND SIX HUNDRED AND
37 TEN DOLLARS (\$17,610) FROM THE UNASSIGNED FUND BALANCE TO BE USED AS A REVENUE ITEM IN THE
38 FY18 BUDGET**

39 **MOTION SECONDED BY MEMBER WHALEN**

40
41 **AMENDED MOTION BY MEMBER ADAMS TO ALLOCATE THE SUM OF THIRTY SEVEN THOUSAND SIX
42 HUNDRED AND TEN DOLLARS (\$37,610) FROM THE UNASSIGNED FUND BALANCE TO BE USED AS A
43 REVENUE ITEM IN THE FY18 BUDGET**

44 **MOTION SECONDED BY MEMBER PAUER**

45
46 **ON THE QUESTION**

47
48 Ms. DiGennaro noted the initial amount cited of \$17,610 was less than the total revenue number originally cited as it did
49 not reflect the \$4,000 in indirect costs from grants that would also be used.

50
51 Mr. Enright questioned if the motion would have an impact on next year's starting point on the budget. Chairman Solon
52 stated the starting point (baseline budget) for next year would be the total appropriation of \$1,498,630. Superintendent
53 Corey noted, at some point, you will see a tax spike in the SAU budget; unless the offsetting revenue is available every
54 year, those dollars will have to be raised through taxes.

55
56 Chairman Solon questioned if there is the potential to view merit increases as a one-time expense that could be funded
57 through unassigned fund balance. Ms. Seeley noted merit increases are budgeted for year after year.

58
59 Mr. Pauer stated his support of the amended motion noting the net amount to be raised through taxes will be slightly less
60 than that of last year.

1 Mr. Maguire stated he does not agree with the enrollment projections, and noted they have not been accurate over the
2 past few years. Enrollment in the Brookline School District is up approx. 35 students this year, and was increased last
3 year as well. Chairman Solon commented NESDEC has acknowledged that because of the rolling average they use,
4 there is a significant lag time. They have, in the past, distributed amended projections.
5

6 Superintendent Corey commented when looking at student enrollments, he believes that to have the least impact on the
7 SAU. Unless drastically reducing the number of teachers, the SAU is still doing payroll for four districts, bills for four
8 districts, etc. The potential for a declining enrollment and the functions of the SAU are not a direct correlation. He spoke
9 of monies allocated for part-time resources at the SAU to address another law handed down from the State regarding
10 volunteers and background checks. Previously if a parent wished to volunteer he/she was provided a form, and came in
11 and volunteered. Today everyone has a background check, everyone goes through training, everybody is designated as
12 a specific type of volunteer, etc. That task has become a huge burden, and would be taken on by the additional position.
13 He added if looking at districts of a similar size, SAU41 is very lean in terms of the size of its Administration.
14

15 Superintendent Corey stated he is not opposed to utilizing unassigned fund balance if the will of the Board. He
16 commented the SAU does not have an individual responsible for the running of facilities, which is a function of the
17 Business Office; there is no individual responsible for public relations, etc. The question is how to get these types of
18 functions done in addition to performing the essential functions.
19

20 Chairman Solon questioned whether the costs identified for temporary help could be funded through the unassigned fund
21 balance. Superintendent Corey stated it to be temporary help to further justify a need he knows to exist for a permanent
22 position.
23

24 Mr. Mann stated he would not support the amended motion on the floor, but would support a motion around funding the
25 merit line item through the unassigned fund balance.
26

27 **MOTION FAILED**

28 **2.20-6.80**

29 *Members Solon, DiGennaro, Enright, Mann, Sarris, St. John, VanCoughnett, and Whalen voted in opposition*

30 ***Member Whalen departed***

31
32 **AMENDED MOTION BY MEMBER PAUER TO ALLOCATE THE SUM OF TWENTY SEVEN THOUSAND ONE**
33 **HUNDRED AND FOUR DOLLARS (\$27,104) FROM THE UNASSIGNED FUND BALANCE TO BE USED AS A**
34 **REVENUE ITEM IN THE FY18 BUDGET**
35 **MOTION SECONDED BY MEMBER ADAMS**
36

37 ON THE QUESTION
38

39 Mr. Pauer commented the motion goes back to the discussion of the merit increase being potentially a one-time expense;
40 something the Board could decide to pay should the District support the higher budget. It would keep the appropriation
41 increase down.
42

43 Superintendent Corey stated approved merit increases were funded through the unassigned fund balance in the past.
44 The Board gave the directive for that to be included in the operating budget for the sake of transparency. The Board has
45 requested a consistent formula, which is why the COOP School District formula was adopted. Mr. Mann stated were
46 unassigned fund balances utilized this year the line item would remain in the budget it would simply be funded differently
47 in FY18. Chairman Solon remarked the dollars being discussed are simply a revenue source. The motion indicates that
48 monies from unassigned fund balance would be used to offset the amount that has to be raised through taxes. There
49 may be a rationale behind reaching a specific number to be utilized as a revue source, but that rationale has zero impact
50 on how the money is used.
51

52 Ms. Sarris commented this would set a precedent for where those funds would come from in the future as opposed to
53 budgeting for the anticipated expense. Chairman Solon stated his opinion it would not necessarily be setting a precedent,
54 but would indicate if the desire is for the merit increases to be a regular occurrence in the future it would be more accurate
55 disclosure to include it in the total appropriations.
56
57

1 Ms. DiGennaro noted the amount of merit increases is not yet known, and could result in a lesser amount being utilized
2 from the unassigned fund balance. She added, if the total amount were used, the unassigned fund balance would be
3 reduced to just under \$100,000.

4 **MOTION CARRIED**

5 **9-0**

6
7 ***Vote on the Main Motion to approve the allocation of \$27,104 from the Unassigned Fund Balance to be used as a***
8 ***revenue item in the FY18 budget.***

9
10 **MOTION CARRIED**

11 **9-0**

12 AGENDA BUILDING

13 Superintendent Evaluation

14
15 The next meeting of the SAU41 Governing Board will be conducted on Wednesday February 22, 2017 at the Captain
16 Samuel Douglass Academy in Brookline.

17
18 NON-PUBLIC SESSION

19
20 **MOTION BY MEMBER MANN THAT THE BOARD, BY ROLL CALL, GO INTO NON-PUBLIC SESSION PURSUANT**
21 **TO RSA 91-A:3 II (a) THE DISMISSAL, PROMOTION OR COMPENSATION OF ANY PUBLIC EMPLOYEE**
22 **MOTION SECONDED BY MEMBER ADAMS**

23
24 *A Viva Voce Roll Call was taken, which resulted as follows:*

25
26
27
28 Yeah: Matt Maguire, Lauren DiGennaro, Erin Sarris, Robert Mann, Tom Enright, Michelle St. John, Tom Solon,
29 Chris Adams, Eric Pauer, and Cindy VanCoughnett

30
31 Nay:

10
0

32 **MOTION CARRIED**

33
34 ***The Board went into non-public session at 8:19 p.m.***

35 ***The Board came out of non-public session at 8:35 p.m.***

36
37 **MOTION BY MEMBER MANN TO OFFER SUPERINTENDENT COREY A SIX-YEAR CONTRACT RETROACTIVE TO**
38 **JULY 1, 2016, WITH A SALARY OF ONE HUNDRED THIRTY SIX THOUSAND NINE HUNDRED TWENTY TWO**
39 **DOLLARS (\$136,922.00) TO CONCLUDE ON JUNE 30, 2022**

40 **MOTION SECONDED BY MEMBER ENRIGHT**

41 **MOTION CARRIED**

42 **8.33-.67**

43 *Member Pauer voted in opposition*

44
45 REPORT OUT BY PROCESS OBSERVER

46
47 Mr. Adams congratulated Chairman Solon his facilitation of the meeting.

48
49 ADJOURNMENT

50
51 **MOTION BY MEMBER MANN TO ADJOURN**

52 **MOTION SECONDED BY MEMBER DIGENNARO**

53 **MOTION CARRIED**

54 **9-0**

55
56 The December 15, 2016 meeting of the SAU 41 Governing Board was adjourned at 8:55 p.m.