

1 SAU 41 GOVERNING BOARD
2 DECEMBER 15, 2016
3 **PUBLIC HEARING**
4 **MEETING MINUTES**
5

6 A Public Hearing was conducted by the SAU 41 Governing Board on Thursday, December 15, 2016 at 6:21 p.m. at the
7 Hollis/Brookline Middle School.

8
9 Tom Solon, Chairman, presided:

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11 Members of the Board Present: Laurie Miller, Vice Chairman
12 Lauren DiGennaro, Treasurer
13 Chris Adams, Hollis/Brookline COOP
14 Tom Enright, Hollis School Board
15 Matthew Maguire, Chairman, Brookline School Board
16 Robert Mann, Chairman, Hollis School Board
17 Eric Pauer, Hollis/Brookline COOP
18 Erin Sarris, Secretary, Brookline School Board
19 Michelle St. John, Secretary, Hollis School Board
20 Cindy VanCoughnett, Hollis/Brookline COOP
21 Krista Whalen, Hollis/Brookline COOP
22

23 Members of the Board Absent: Tammy Fareed, Secretary
24 Holly Deurloo Babcock, Secretary, Hollis/Brookline COOP
25 Elizabeth Brown, Chairman, Hollis/Brookline COOP
26 Kenneth Haag, Brookline School Board
27 Patricia Lynch, Vice Chairman, Brookline School Board
28

29 Also in Attendance: Andrew Corey, Superintendent
30 Gina Bergskaug, Assistant Superintendent
31 Kelly Seeley, Business Administrator
32 Linda Sherwood, Assistant Business Administrator
33

34 **SCHOOL ADMINISTRATIVE UNIT #41**
35 **FY18 BUDGET**
36
37

38 Chairman Solon stated the purpose of the public hearing was to present and obtain public input on the SAU41 FY18
39 proposed budget. He explained the budget would be voted on by the SAU41 Governing Board after completion of the
40 Public Hearing. An explanation will be provided of the default budget, which would be the amount of the FY17 approved
41 budget adjusted to address contractual requirements.
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43 The budget approved by the SAU41 Governing Board will go before the voters in March. It will be voted on at each of the
44 district meetings. The total combined vote of all three districts determines the outcome. There is no opportunity to amend
45 the budget at the district meetings; up or down vote.
46

47 Mr. Pauer noted it would be a Secret Ballot vote in the Brookline School District on Town Election Day (SB2).
48

49 The following [overview](#) was provided by the Treasurer, Lauren DiGennaro:
50

51 The total appropriations/expenses proposed for FY18 is \$1,498,630 (3.54% increase over FY17). Also proposed is a
52 transfer from fund balance of \$17,610 to be used as a revenue item. The result would be a cost to the taxpayers of
53 \$1,481,020 (2.32% increase over FY17). The FY18 adjusted/default budget would be \$1,485,787 (2.65% increase over
54 FY17). Were a transfer made from fund balance (\$17,610) to offset the adjusted/default budget, the total would be
55 \$1,468,177 (1.44% increase over FY17).
56

57 The components of the budget are: salaries (66%), benefits (26%), and other (8%).
58

59 Kelly Seeley, Business Administrator, presented a slide that identified the categories that make up the budget, the
60 approved FY17 budget amounts, the proposed allocations for FY18, and percentage of change. A notable reduction in
61 the proposed budget is under the category of Professional Development (27.11% reduction). Ms. Seeley explained the
62 decrease is primarily a reduction in the amount allotted for the Superintendent and Assistant Superintendent. Neither

1 have plans, at this time, for coursework related to their professional development. Other notable differences include
2 Operations & Maintenance (increase of 13.50%). The increase is primarily due to the rent increase of the 4 Lund Lane
3 facility. The rental rate has been \$8,000/year or \$1.36/sq. ft. for many years, and will increase incrementally over the next
4 few years. The proposed increase for FY18 would bring the cost to \$13,000 or \$2.22/sq. ft. The end goal is a rental rate
5 of \$24,939 or \$4.25/sq. ft., which is still below the retail market value.

6
7 Under benefits there are two increases: Health insurance has a Guaranteed Maximum Rate (GMR) of 15.9% (\$157,703)
8 and the New Hampshire Retirement System (NHRS) increase is 11.38% (\$100,982).

9
10 Under wages there are numerous reasons for the increase cited (1.95%): The Human Resource Coordinator position will
11 increase by \$5,952 as a result of additional duties and a supervisory role, the Accounting Specialist position will change
12 from a .93 Full Time Employee (FTE) position to a 1.0 FTE position resulting in an increase of \$3,079, temporary
13 Business Office help is anticipated at a cost of \$16,148, and salary/hourly raises at an increase of 2.5%.

14
15 Ms. Seeley stated the anticipated FY17 Unassigned Fund Balance to be \$126,127. One-time expenses for which the
16 Administration would like to utilize fund balance include: GASB 45, which is a required post-employment benefits analysis
17 done every other year (\$5,000) and course reimbursement for the Student Services Director who will be completing (in
18 FY18) her certification as a Board Certified Behavior Analyst (\$12,610). That would leave an ending balance of \$108,517.

19
20 Ms. Seeley stated this to be the first year revenue from indirect costs from grants has been included in the budget
21 (\$4,000). The Administration proposes the use of \$17,610 of fund balance as a revenue offset. Total revenue would be
22 \$21,610.

23
24 Mr. Pauer questioned whether SAU employees are considered Group 1 employees under the NHRS, and was informed
25 they are. Mr. Pauer asked for clarification the rate for the current year is 11.17% and for FY18 the rate will be 11.38%.
26 Ms. Seeley stated that to be correct. Mr. Mann stated his belief Administrators, in the eye of the NHRS, are classified as
27 teachers. Ms. Seeley stated that is not the case in the SAU. Administrators in the school buildings are classified as
28 teachers.

29
30 Mr. Adams urged the Board to consider transferring an increased amount (perhaps an additional \$15,000) from the
31 unassigned fund balance to offset the amount that has to be raised through taxes.

32
33 Ms. Seeley noted the Budget Sub-Committee discussed that, and felt very strongly that those funds should be retained for
34 emergencies and to offset one-time expenditures. If used to supplement the budget, in the following year the baseline
35 budget that you start with would be short that amount. Mr. Adams stated his preference for the unassigned fund balance
36 to be in the area of 5% of the total operating budget.

37
38 Mr. Adams spoke of the additional funds being sought when filling the two vacated Accounting Specialist positions, and
39 questioned the need for an increase given the likelihood the individuals hired would not be at the same salary as those
40 who have held the positions for some time and are retiring. Ms. Seeley responded they have carried over an average of
41 what the current individuals earn in salary, and as it turns out the individual hired is very close to that and the expectation
42 is that the individual who fills the remaining vacancy will also be in the same area of skillset/salary. She spoke of the
43 difficulty in identifying candidates for the positions particularly when considering a lower rate of pay.

44
45 Mr. Pauer noted the information provided indicates wages have increased 1.95% and the merit increase is up 3.87%, and
46 requested additional clarification. Ms. Seeley explained, using the formula the COOP School District uses for their merit
47 increase, it is half a percent of the total wages. It is distributed based on the decisions of the Superintendent and
48 Governing Board. Mr. Pauer commented there are two increases; an increase that is built into the wages and another
49 through merit increase. It was noted not every employee would receive a merit increase. Merit increase is based on
50 "merit". Ms. Seeley noted the Administrative contracts indicate the Administrator will receive between 2% and 3% based
51 on the CPI. What is budgeted for is 2.5%.

52
53 Chairman Solon commented pretty much all of the increases would be categorized as merit based in the SAU since there
54 is no contractual obligation for it. However, the practice has been to establish a baseline increase across the board for
55 the SAU staff, which is CPI based. The merit is being used as the differentiator based on performance. Superintendent
56 Corey reiterated all requests for merit increases come before the SAU41 Governing Board for approval.

57 Mr. Adams questioned how increases typically get applied, e.g., percentage for particular groups, etc. Superintendent
58 Corey responded there is not a particular percentage. In February the Administration reviews each individual in senior
59 management and then with the hourly people their cost of living is the 2.5%, which is identified in the budget.

1 Ms. DiGennaro spoke of a calculation that utilizes the equalized valuation, which is provided by the State, and the
2 Average Daily Membership (ADM) of the student body from the previous year to identify the combined percentage. The
3 total budget of \$1,498,630 is reduced by the revenue, and is split by the combined percentage to identify the share of the
4 SAU budget for each of the districts.

5
6 Mr. Pauer questioned if the apportionment utilizes the ADM from two years prior (2015-2016 school year). Ms. DiGennaro
7 stated that to be correct noting there is the need to have a total for the year. When asked if the ADM has a financial
8 impact, Chairman Solon noted it does have an impact as it changes from year to year.

9
10 Ms. Sarris questioned, with SB2, if the Warrant Article identified for the SAU would be on the ballot. Chairman Solon
11 stated it would.

12
13 Mr. Pauer spoke of the intent of utilizing the unassigned fund balance to defray the amount that has to be appropriated,
14 and questioned if the lesser amount would be listed on the Warrant. Ms. DiGennaro stated the numbers listed on the
15 Warrant Article do represent the entirety of the budget, but the numbers that are appropriated are minus the revenue.
16 When asked, she stated voters would know the amount they were voting to appropriate and the total amount of the
17 budget. Chairman Solon stated that to be correct, but added, particularly in Brookline, unless the information is somehow
18 presented during the Deliberative Session, they may well not have the explanation that the budget number reflects the
19 total prior to the reduction resulting from the revenue associated with the unassigned fund balance.

20
21 Mr. Pauer stated agreement with the comments made by Mr. Adams in terms of utilizing a larger amount of the
22 unassigned fund balance.

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24 Testimony in Favor - None

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26 Testimony in Opposition - None

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28 Testimony in Favor - None

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30 Testimony in Opposition - None

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33 **MOTION BY MEMBER PAUER TO CLOSE THE PUBLIC HEARING**
34 **MOTION SECONDED BY MEMBER ADAMS**
35 **MOTION CARRIED**
36 **9-0**

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38 *The Public Hearing was declared closed at 6:46 p.m.*

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42 SAU Governing Board Chair _____ Date: _____