

SAU 41 GOVERNING BOARD
DECEMBER 13, 2018
PUBLIC HEARING
MEETING MINUTES

A Public Hearing of the SAU 41 Governing Board was conducted on Thursday, December 13, 2018 at 6:08 p.m. at the Hollis Brookline Middle School Library.

Tammy Fareed, Chairman, presided:

Members of the Board Present: Erin Sarris, Vice Chairman
Holly Deurloo Babcock, Secretary
Elizabeth Brown, Hollis/Brookline COOP (arrived at 6:20 p.m.)
John Cross, Secretary, Hollis/Brookline COOP
Rebecca Howie, Brookline School Board
Kenneth Haag, Vice Chairman, Brookline School Board
Matthew Maguire, Chairman, Brookline School Board
Robert Mann, Chairman, Hollis School Board
Cindy VanCoughnett, Vice Chairman, Hollis/Brookline COOP
Krista Whalen, Hollis/Brookline COOP

Members of the Board Absent: Tom Enright, Hollis School Board
Tom Solon, Chairman, Hollis/Brookline COOP
Amy Kellner, Secretary, Hollis School Board
Melanie Levesque, Hollis/Brookline COOP
Alison Marsano, Secretary, Brookline School Board

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

SCHOOL ADMINISTRATIVE UNIT #41
FY20 BUDGET

Chairman Fareed stated the purpose of the Public Hearing was to present and obtain public input on the SAU 41 FY20 proposed budget.

Vice Chairman Sarris provided a presentation (can be viewed [here](#)) a copy of which was included with the [agenda](#).

An organizational chart depicting the current structure of the SAU Administration was displayed. The chart notes the recent change in the area of Student Services. At its 10-29-2018 non-public meeting, the Board voted to rename the position of Director of Student Services to that of Assistant Superintendent of Student Services, appointed Amy Rowe to the position of Assistant Superintendent of Student Services until June 30, 2019 and Robert Thompson to the position beginning July 1, 2019. In addition, Amy Rowe was issued a one-year contract, beginning July 1, 2019 and ending June 30, 2020, in the position of Temporary Transition Coordinator for Student Services.

Comparing the FY19 budget (included Board approved use of fund balance) to the proposed FY20 budget; increase of \$116,621 (7.3%). Comparing the FY20 adjusted/default budget to the proposed budget; increase of \$27,603 (1.6%).

Components of the FY20 proposed budget include: salaries \$1,123,043 (65%), benefits \$428,148 (25%), and other \$168,123 (10%).

Drivers of the increase were noted as:

- Salaries - \$82,975
 - Assistant Superintendent of Student Services restructuring (1.5 FTE)
 - salaried employees 3% increase
 - market rate adjustments \$8,000 to four Business Office employees

Asked if the second year of the two-year effort regarding the market rate adjustment, brings the District in line, Superintendent Corey responded the market is changing based on the current economy; however, he believes the two-year effort brings the District into a much more competitive rate and probably more similar to who we would be competing against, e.g., not comparable with private sector.

Discussion ensued regarding prior turnover and the increased workload/responsibilities placed on remaining staff. Superintendent Corey remarked, over his 5 years with the SAU, the Governing Board has worked hard to put all of the positions within the SAU in a solid position. We're not the highest paying SAU, but we have become very competitive. He believes that will result in long-term stability. Mr. Cross stated his hope as soon as it is believed it could become a primary reason for departure, that the Board be made aware, commenting on the small investment to prevent chaos and havoc.

- Benefits & Merit Pay - \$24,924
 - health insurance Guaranteed Maximum Rate (GMR) (+8.1%)
 - dental insurance GMR (+2.3%)
 - hourly employees increase of 2.5%
 - merit pool based on history instead of formula
 - associated benefits to new Assistant Superintendent of Student Services
- Rent - \$5,000
 - final in series of increases; total \$23,970 (\$4.25 sq. ft.)

Breaking the FY20 proposed budget down by category: wages \$1,123,043 is an increase of \$82,975 (8.0%), benefits \$428,148 is an increase of \$12,506 (3.0%), merit increase \$21,938 is in an increase of \$12,418 (130.4%), operations & maintenance \$54,340 is an increase of \$7,820 (16.8%), professional development \$26,475 is an increase of \$1,875 (7.6%), travel \$16,600 is an increase of \$440 (2.7%), services \$21,420 is an increase of \$37 (0.2%), equipment & software \$14,150 is a *decrease* of \$50 (0.4%), expendables \$13,200 is a *decrease* of \$1,400 (9.6%). Total FY20 proposed budget \$1,719,314 is an increase of \$116,621 (7.3%) over the FY19 budget.

Unassigned Fund Balance (UFB) is \$104,539 (6.1%), which is below the target range of 7-10%. As a result, the Administration's recommendation is to not utilize the UFB or any portion thereof as a revenue item in the FY20 budget (offset increase). Grants/indirect costs resulted in \$4,000 in revenue.

Mr. Mann questioned how the Warrant Article will be addressed in the Brookline School District given the SB2 structure. Superintendent Corey explained it goes onto the ballot. During the Deliberative Session they have an opportunity to discuss it; however, cannot make adjustment(s). If not approved, it automatically goes to the adjusted number. The final tally of the SAU budget isn't known until the votes of all three districts are counted.

Chairman Fareed questioned how the adjusted budget is created. Linda Sherwood, Assistant Business Administrator explained the default budget is the amount of the same appropriations as contained in the operating budget authorized for the previous year, reduced, and increased, as the case may be, by debt service, contracts, and other obligations previously incurred or mandated by law, and reduced by one-time expenditures.

Chairman Fareed noted rental payments made to the Hollis School District, as owners of the 4 Lund Lane property, are placed in an expendable trust utilized for the maintenance of the facility. She noted, in the current year, air source heat pumps and supporting electrical infrastructure were installed, work was done on the parking lot, etc.

Superintendent Corey noted on December 20th, the electrical system will be upgraded through Eversource. The SAU will be closed, and employees will work out of one of the buildings.

Chairman Fareed commented on the importance of the individual districts articulating to the communities the function the SAU fills and the value it adds.

Vice Chairman Sarris commented on what the Board approved last year in terms of market rate adjustments noting the value as an investment, which is for the very purpose of retaining personnel that contribute to the districts in multiples of what they are paid. Retention and paying for what we get is what the Board has been committed to.

Mr. Cross remarked ultimately we are relying on the Administration to tell us what they need. He wished to ensure the Administration is bringing forward what is believed important. If for some reason the Board believes it cannot manage it in the current fiscal year, etc. at least there is an awareness of the risk. If the Administration is only bringing forward items/costs it believes will pass, then the Board is not provided the opportunity to vet the needs.

Superintendent Corey commented the piece of the 1.5 individuals for Student Services was a measure the Governing Board took with the strong belief the half position staying on for a fiscal year will result in cost savings. The other reason the current position was elevated to Assistant Superintendent is it will provide more coverage; that individual can legally open and complete meetings, and due to changes in the New Hampshire Retirement System (NHRS), by making the position Assistant Superintendent, the SAU saves \$5,000 on the retirement cost; we get more service and have a little less cost.

They looked to the district budgets for consideration of a SAU Facilities Director position as that is where the individual would be working. Because of some of the impacts from NHRS, health insurance increases, etc., the decision was reached to postpone consideration of that position until the next fiscal year.

Testimony in Favor - None

Testimony in Opposition - None

Testimony in Favor - None

Testimony in Opposition - None

MOTION BY MEMBER MANN TO CLOSE THE PUBLIC HEARING
MOTION SECONDED BY MEMBER MAGUIRE
MOTION CARRIED
9-0

The Public Hearing was declared closed at 6:31 p.m.

SAU Governing Board Chair _____

Date: _____