

SAU 41 GOVERNING BOARD
DECEMBER 14, 2017
PUBLIC HEARING
MEETING MINUTES

A Public Hearing was conducted by the SAU 41 Governing Board on Thursday, December 14, 2017 at 6:05 p.m. at the Hollis/Brookline Middle School.

Chairman, Tom Solon presided:

Members of the Board Present: Laurie Miller, Vice Chairman
 Lauren DiGennaro, Treasurer
 Erin Sarris, Secretary
 Holly Deurloo Babcock, Hollis/Brookline COOP
 John Cross, Hollis/Brookline COOP
 Tom Enright, Hollis School Board (arrived at 6:07 p.m.)
 Tammy Fareed, Vice Chairman, Hollis School Board
 Kenneth Haag, Brookline School Board
 Melanie Levesque, Secretary, Hollis/Brookline COOP
 Matthew Maguire, Chairman, Brookline School Board
 Alison Marsano, Secretary, Brookline School Board
 Michelle St. John, Secretary, Hollis School Board
 Cindy VanCoughnett, Vice Chairman, Hollis/Brookline COOP
 Krista Whalen, Hollis/Brookline COOP

Members of the Board Absent: Elizabeth Brown, Chairman, Hollis/Brookline COOP
 Robert Mann, Chairman, Hollis 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
FY19 BUDGET**

Chairman Solon stated the purpose of the Public Hearing was to present and obtain public input on the SAU 41 FY19 proposed budget.

Lauren DiGennaro, Treasurer, provided a presentation (can be viewed [here](#)) a copy of which was included with the [agenda](#).

Ms. DiGennaro identified the membership of the SAU 41 Budget Sub-committee, and outlined the organizational structure of the SAU.

The FY18 adopted budget was \$1,498,630. That amount was offset through revenue and the use of fund balance resulting in an amount to be raised through taxes of \$1,467,526.

Chairman Solon remarked, unlike at the district level where unexpended appropriations remaining at year end are either reallocated by the Board or returned to the general fund of the Town(s) to be used to offset the amount that must be raised through taxes in the next year, funds remaining in the SAU budget at year end cannot be returned, and roll into the Unassigned Fund Balance (UFB). The recommendation has been to keep the UFB at an amount that equates to 7 - 10% of the overall budget. Historically, the Board has utilized monies from the UFB to cover the cost of one-time expenses. Were the UFB utilized to fund a recurring item one year and not the next, the amount, which would need to be raised through taxes, to maintain a flat budget, would be inflated as taxpayer dollars would be needed to fund the item that was funded in the previous year through the UFB. The intent is to avoid large fluctuations in the budget from year to year.

The proposed FY19 budget is \$1,577,723 (5.3% over FY18). If offset through revenue and use of fund balance, the amount to be raised through taxes would be \$1,567,072 (6.8% over FY18).

The adjusted or default budget, which would take affect if the proposed budget is not approved by the voters, would be \$1,543,057. That amount would be offset by revenue only, resulting in an amount to be raised through taxes of \$1,539,057 (4.9% over FY18).

The largest percentage of the budget is attributed to salaries (66%). Benefit costs account for 25% of the budget. The remaining 9% is attributed to other operational costs.

The adjusted/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.

Significant changes to the budget:

- Two new hires; 1 full-time and one part-time in the Business Office (\$52,600 wages / \$27,684 benefits),
- Wage increases; 2.5% salaried/hourly/merit pool and market rate adjust. for Business Office employees (\$35,238),
- Rental increase (\$5,970); and
- Increased number of hours (6-10.5/week) for custodian services (\$3,900).

The dollar and percent of change between the approved FY18 budget and proposed FY19 budget were broken down by category. Ms. DiGennaro noted the line item for professional development would decrease (\$11,070 or 31.03%), which is the result of professional development for the Director of Student Services being deferred. The equipment & software line also shows a decrease (\$27,766 or 66.16%), due to a shifting of cost of the accounting software to the three districts.

Ms. DiGennaro spoke of the need for additional support in the Business Office. This department consists of 7 employees that manage all business components for 4 separate legal entities, in 7 buildings, which includes banking, budgeting, reporting, purchasing, payables, payroll, taxes, human resources, employee contracts, benefits, business analysis, accounting, and the annual audit.

An organizational chart was displayed depicting the proposed structure for the Business Office. The two new positions would be 1 full-time Accountant reporting to the Business Administrator and one half-time Human Resource Assistant.

The current UFB is \$122,175. The FY19 budget proposes the use of \$6,651 to cover the cost (one-time expense) of a one-month overlap in salary to provide for the current Network Administrator providing transitional support for his replacement upon retirement (exact timeframe not yet known). The resulting UFB would be \$115,524 (7.3% of the total budget). Revenue received is in the form of grants/indirect costs (\$4,000). The two revenue sources would result in a reduction in the amount to be raised through taxes (\$10,651) to support the proposed budget.

Total cost of the proposed budget (\$1,567,072) is shared by the three districts. The percentage of each district's share is determined by a calculation using equalized valuation as provided by the State and the Average Daily Membership of students. A chart was displayed identifying the breakdown.

Ms. Fareed spoke of the caliber of personnel in the SAU Office, and the need to ease the burden placed upon those individuals. She stated she would vote against any budget that did not provide the necessary support, and questioned if the proposed budget would provide enough support to do more than just slightly ease the burden. Superintendent Corey stated his belief the additional 1.5 positions would disburse the amount of data and requirements the Business Office currently handles. It will allow the Administration to move forward and be more productive. He stated the expectation, in future years, there would be additional requests around other pieces of the puzzle.

He noted, as a Sub-committee one of the goals was to balance the amount being requested versus the needs while trying to consider the dollar amount associated with this budget is disbursed into the three district budgets. Chairman Solon reminded the Board the purpose of the Public Hearing was to present the budget to the public and accept input from the public. He questioned if there were specific items that were once part of the proposed budget that have been removed.

Superintendent Corey identified the differences between "draft 5" of the budget process and the proposal. There has been an adjustment in the costs associated with insurance packages and an adjustment to the salary for the position of Director of Technology (reduction). He reminded the Board of the proposal to utilize UFB to cover a one-month transition period. In addition, the decision was reached to lease, rather than purchase, the printer and copy machine. The market rate adjustment for salaries is included; includes a phased in approach for the two Assistant Business Administrators (over two years to get to market level). The amount for coursework and associated travel has been reduced as it is unclear if the individual will be able to attend this summer. If the individual can attend, a request would be made of the Board during a spring meeting to consider utilizing the UFB. Superintendent Corey stated his opinion it is a prudent budget.

Testimony in Favor - None

Testimony in Opposition - None

Testimony in Favor - None

Testimony in Opposition – None

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

SAU Governing Board Chair _____ Date: _____