

SAU 41 GOVERNING BOARD
DECEMBER 29, 2020
**PUBLIC HEARING
MEETING MINUTES**

A Public Hearing was conducted by the SAU 41 Governing Board on Tuesday, December 29, 2020 at 6:15 p.m. at the Hollis Brookline Middle School.

Erin Sarris, Chairman, presided:

Members of the Board Present: Cindy VanCoughnett, Vice Chairman
 Beth Williams, Secretary
 Tammy Fareed, Treasurer
 Brooke Arthur, Secretary, Hollis School Board
 Elizabeth Brown, COOP School Board
 Kenneth Haag, Chairman, Brookline School Board
 Rebecca Howie, Brookline School Board
 Karen Jew, Secretary, Brookline School Board
 Amy Kellner, Hollis School Board
 Robert Mann, Chairman, Hollis School Board
 Alison Marsano, Brookline School Board
 Carryl Roy, Hollis School Board
 Kate Stoll, Secretary, COOP School Board
 Tom Solon, Vice Chairman, COOP School Board
 Krista Whalen, COOP School Board

Members of the Board Absent: Holly Deurloo Babcock, Chairman, COOP School Board

Also in Attendance: Andrew Corey, Superintendent
 Bob Thompson, Assistant Superintendent of Student Services

Due to the COVID-19/Coronavirus crisis, and in accordance with Governor Sununu's [Emergency Order #12](#) pursuant to [Executive Order 2020-04](#), this Board is authorized to meet electronically.

Board members and members of the Administration were participating via Zoom. Each member of the Board was asked to state, for the record, where they were, why their attendance in person was not reasonably practical, who, if anyone, was with them, and whether or not they were able to hear the proceedings.

Member Sarris

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

Member Arthur

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

Member Brown

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Member Fareed

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Member Haag

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Member Howie

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Member Jew

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Member Kellner

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Member Stoll

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Member Mann

Stated he was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, he was alone in the room he was in, and could hear the proceedings.

Member Roy

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

Member Solon

Stated he was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, he was alone in the room he was in, and could hear the proceedings.

Member Whalen

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

Member VanCoughnett

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

Member Williams

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

It was acknowledged all members participating electronically could be heard. The Board was reminded all votes would be taken by Roll Call.

PUBLIC HEARINGS

UNASSIGNED FUND BALANCE

The purpose of the Public Hearing was to provide an update and obtain public input on the potential increased use of the Unassigned Fund Balance (UFB).

Superintendent Corey noted Board approval to utilize \$26,854 of the UFB to cover the cost of raises and merit increases put forth in the spring. The desire of the Board is to maintain a balance of 7-10% of the total budget, and that when utilizing the UFB that it be to cover the cost of one-time expenses.

**SCHOOL ADMINISTRATIVE UNIT #41
FY22 BUDGET**

Chairman Sarris stated the purpose of the Public Hearing was to present and obtain public input on the SAU 41 FY22 proposed budget.

Member Fareed, Treasurer, provided a presentation, a copy of which was included with the [agenda](#).

The SAU 41 Budget Subcommittee membership consists of members of the Administration, the 3 school district boards, the SAU Governing Board, the Finance and Budget Committees of the two towns, and COOP Budget Committee.

SAU 41 is a \$51 million operation (combined budgets) serving 2,410 students, having 444 staff members, 478 volunteers (processed by the SAU, e.g., background checks, registration of identification, safety training, etc.), 100 coaching positions, 90 active substitutes, and processes approx. 10,000 invoices annually.

The FY22 proposed budget (\$1,957,257) is an increase of \$143,303 or 7.9% over the FY21 adopted budget of \$1,813,954.

The FY22 proposed budget is an increase of \$34,393 or 6.0% over the FY22 adjusted budget (\$1,918,864), which is calculated by adding to the FY21 approved budget any increases due to debt service, contracts or other obligations previously incurred or mandated, minus any one-time expenses.

The primary budget driver for FY22 is an increase in salaries (\$67,839). The two Assistant Superintendent positions would see a 3.0% increase. There was discussion of decreasing the contractually obligated increases to 2%. Those numbers were reviewed as were the comparative salaries of the positions across the State. SAU41 is not paying the average or above-average rate. There are building principals in our nearby communities who are compensated at a greater rate than our Assistant Superintendent positions. The Subcommittee determined these two positions should not lose their parity with equivalent positions across the State. The Superintendent and Assistant Superintendent contracts stipulate there will be an increase within the range of 2-4%. That range gives the Board and the Superintendent a chance to adjust the recommended increases, but an increase is required at a minimum of 2%. The remaining SAU staff would receive a 2.0% increase. In addition is the Board approved salary adjustments (\$16,000).

Two staff members have developed new qualifications. That and their performance has qualified them for promotions. With those promotions came commensurate increases in salaries. In addition, the current budget only covers 10 months of salary for the position of Facilities Director. The FY22 budget will include a full year's salary inclusive of a slight increase.

Additional increases are related to the SAU's contributions to the New Hampshire Retirement System (increase of \$56,318); teacher rate, which ranges from 17.8% to 21.02% and employee rate, which ranges from 11.17% to 14.06%, the increase in health insurance costs (\$18,826) based on the Guaranteed Maximum Rate (GMR) of increase provided of 10.9% and the increase in cost of taxes associated with benefits (\$8,349), which corresponds with the higher salaries.

Budget components were broken down noting of the total \$1,957,257, 64% or \$1,246,750 is attributed to salaries, 27% or \$538,641 is benefits, and 9% or \$171,866 is categorized as other.

A slide was displayed detailing budget categories and the change in each from the FY21 approved budget and the FY22 proposed budget. Noted was that expenses will decrease in the proposed budget in the categories of travel, equipment & software, merit increase, and professional development.

The FY21 beginning balance of the UFB was \$167,064. The FY21 projected use of fund balance is \$26,854, and the projected FY21 ending balance is \$140,210. The projected expenditure from the UFB for FY22 is \$0. The projected FY22 ending balance is \$140,210.

The UFB is an account governed by the SAU 41 Governing Board. The Board can approve utilization of the UFB for expenses deemed necessary for the SAU. The UFB is projected to be at 7.2% of the total budget. The target is 7-10%.

Regarding revenue, the SAU receives a small amount of the grant funding provided the school districts. Projected is \$4,000 in revenue.

Regarding apportionment, distribution is determined by a calculation using equalized valuation as provided by the State and the Average Daily Membership (ADM) of students.

In FY21, expenses totaled \$1,813,954 and revenue generated was \$30,854 resulting in a total appropriation of \$1,783,100.

Proposed expenses for FY22 total \$1,957,257 and anticipated revenue \$4,000 resulting in a total appropriation of \$1,953,257. Distribution is as follows: Brookline School District; 19% or \$361,236, Hollis School District; 30% or \$594,122, and the COOP School District; 51% or \$997,899.

Should the proposed budget not receive a majority vote of all the school district voters voting in the SAU (all 3 districts), the adjusted budget would be adopted.

Chairman Sarris opened the floor for public comment at 6:38 p.m.

Testimony in Favor - None

Testimony in Opposition

Eric Pauer, 12 Westview Road, Brookline

Through a review of the SAU office both long-term and short-term, one can see that it has grown quite a bit over the past 4 years. Student population has decreased by approximately 15%, but the administration has increased by 78% (from 9 employees to 16). There are now 4 employees making over \$100,000 versus 1. There are 3 Superintendents instead of 1, and in comparison to inflation (CPI-U) that has been at 23% during that time, the SAU budget has gone up 68%. The SAU cost per student (budget divided by number of students) was \$391 in 2007. This past year it was \$766. With the proposed budget it would be at \$813.

Member Fareed stated the desire to provide perspective on the number of staff. A few years ago she was responsible for presenting a contract to the Hollis Budget Committee, and one of the members who is incredibly bright and very dedicated to supporting the town and the schools, was offended by the idea that they were proposing a 16% increase in an hourly rate for one of the categories of custodian, but when it was pointed out to him that a 16% increase amounted to \$0.80/hour for a person who was not even earning half the median income that our two towns share. We forget that percentages are meaningless; if you have one person and add one more person that is a 100% increase. Percentage is not an effective way to look at it.

She commented on the position of Assistant Superintendent of Student Services noting the title itself was changed two years ago because the responsibilities are so significant in that position that the Board unanimously acknowledged the position needed to become an Assistant Superintendent. A second Assistant Superintendent position was taken on because of the overwhelming needs of the district with respect to curriculum development and many other elements. No school board can have a public meeting without a Superintendent or Assistant Superintendent in attendance, which means that, otherwise, the Superintendent would have to attend every single meeting of each of the boards and very often also the finance and budget committee meetings.

Member Fareed spoke of the importance of focusing not on percentage increases but on the fact that our SAU is almost 100% state and federal mandates. We are held feet to the fire by insurance companies, regulations, documentation requirements, etc. She used the example of the frequent question about why the SAU does not move all documentation to digital noting that is not permitted. Even documents that are received in a digital format have to be printed out to provide a paper copy. There is a requirement for personnel files to be on paper/hard copy as well as whatever original format they came in, for 7 years at a minimum.

The H.R. Department processes thousands of pieces of paper. The Business Office processes an incredible volume of paper. The staffing is the minimum that is needed. Staffing structures of other SAUs having a similar size population, etc. have been looked at. Our administration is lean; for years, our Business Administrator has also been our Facilities Director, etc.

She reiterated that looking at things through the perspective of percentages can really blind you to the actual numbers. For example, the 7.9% increase in the proposed budget represents \$143,303. Divide that by the roughly 5,000 tax paying households, and you get \$28/household. The percentage looks terrible, but the actual dollars are not that significant.

Eric Pauer, 12 Westview Road, Brookline

The budget at the SAU in 2007 was approximately \$1.1 million. For FY22 we're just under \$2 million. That gives you a perspective of where the SAU has gone in terms of spending.

Member Fareed stated that would be correct if nothing else had changed. However, the volume of mandated work has easily doubled. The staff is worked unbelievably hard. There is an immense amount of work that has to be processed. She provided the example of legislation that came out a few years ago regarding the number of cents per page that municipalities were allowed to charge for Right-to-Know type requests. It looked like such a minor thing, but amounts to literally hundreds of thousands of pages a year. It is all personnel or student privacy matters, so it is highly confidential, and requires staff time to do the task. These kinds of tasks and obligations have ballooned.

Member Mann requested a Point of Order stating appreciation for the need and desire to address issues as they come; however spoke of the importance for the Board to receive input from the citizenry directly and completely before we provide feedback. He requested the Board allow Mr. Pauer to deliver his input in its entirety prior to any feedback being provided by the Board.

Chairman Sarris stated agreement. She thanked Member Fareed for her clarification and corrections, and noted the Board would continue with the duration of public input.

Eric Pauer, 12 Westview Road, Brookline

The SAU cost per student is at \$766 this year and will increase to \$813 in FY22. That is a large amount when looking at the 2,200 students expected in the coming year. This problem did not occur overnight and will not be solved overnight. Each year we have to consider what can be done to keep costs down. Inflation has been 1.5%. If the CPI-U has been 1.5% from November 2019 to November 2020, the SAU budget is going up over five times the rate of inflation. That is not reasonable particularly given the current employment situation of many. The increase needs to be more reasonably comparable to inflation. It is understood there are challenges with costs increasing that are not within the control of the SAU. When you have increasing mandated costs there requires a review of the amount of staff to determine if the number and compensation is required. A review of the DOE website showed the salaries of the Superintendents. Our Superintendent is the 10th highest

paid in the State. There are only 8 SAUs that have any Assistant Superintendents. Those that have them are much larger. The budget is really not sustainable.

He recommended using the lower end of contractual raises to try to keep the increase in the budget to a smaller level. Salary adjustments should match inflation. A review should be done to determine if all 16 positions at the SAU are needed. In prior years we had 9 people doing the work for nearly 2,800 students. We are down below 2,400 students and have 16 people doing the work.

Although at the low end of the recommended fund balance, he suggested the Board might utilize some of that funding to offset the amount that has to be raised through taxes.

Testimony in Favor - None

Testimony in Opposition - None

The Public Hearing was declared closed at 6:59 p.m.

Date _____

Signed _____
SAU Governing Board Chair