

**HOLLIS BROOKLINE COOPERATIVE SCHOOL DISTRICT
BUDGET COMMITTEE
JANUARY 27, 2022
MEETING MINUTES**

A regular meeting of the Hollis Brookline Cooperative School District (COOP) Budget Committee was conducted on Thursday, January 27, 2022, at 6:30 p.m. at the Hollis Brookline Middle School Library.

Chairman, Darlene Mann, presided:

Members of the Budget Cmte. Present: Matthew Maguire
Brian Rater (participated electronically)
Anthony Stanizzi
Tom Whalen

Members of the Budget Cmte. Absent: Raul Blanche, Vice Chairman
David Blinn
Cindy VanCoughnett, School Bd. Rep.

Also in Attendance: Kelly Seeley, Business Administrator
Holly Deurloo Babcock, Chairman, COOP School Board

As Brian Rater was participating electronically, in accordance with the Right to Know Law, Chairman Mann requested he state for the record; where he was, why his attendance in person was not reasonably practical, who, if anyone, was with him, and whether or not he was able to hear the proceedings.

Member Rater responded he was participating electronically from his home, attendance in person was not reasonably practical as he was ill, no one was with him, and he could hear the proceedings. Those present at the meeting were able to hear Member Rater and were reminded all votes would be taken by Roll Call.

PLEDGE OF ALLEGIANCE

Chairman Mann lead in the Pledge of Allegiance.

AGENDA ADJUSTMENTS - None

APPOINTMENT OF MEETING OBSERVER

Chairman Mann appointed Tom Whalen to serve as Process Observer.

APPROVAL OF MINUTES

COOP Budget Committee [December 22, 2021](#)

The following amendments were offered:

- Page 3, Line 5; insert “per year” before “figure”
- Page 3, Line 13; replace “998” with “1998”
- Page 3, Line 22; correct the spelling of “if”
- Page 3, Line 41; insert “she” before “noted”
- Page 4, Line 31; replace “is” with “are” following “staff”
- Page 4, Line 48 insert “or an average of \$1.45 million per year” following “million”

**MOTION BY MEMBER STANIZZI TO ACCEPT, AS AMENDED
MOTION SECONDED BY MEMBER MAGUIRE**

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

Yea: Tom Whalen, Darlene Mann, Matthew Maguire, Anthony Stanizzi, Brian Rater

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Nay:

0

MOTION CARRIED

PUBLIC INPUT - None

GENERAL BUSINESS

- Financial Update

Expenses and revenues are in the positive. The expense balance is \$251,736. The line item for regular education shows a negative balance of \$36,595, which is primarily due to staff coverage for leaves and substitutions a lot of which is COVID related. Savings in the special education line (\$64,144) is the result of unfilled paraprofessional positions. The co-curricular program line shows a savings (\$32,880) in athletic transportation and extra-curricular activity stipends. The explanation provided was that the district is not 100% back to normal due to COVID, e.g., Washington D.C. trip not occurring this year. In the benefits line item, a savings (\$213,891) is seen, which is the result of hiring and different individual choices for health insurance, but also savings in costs related to FICA and the New Hampshire Retirement System. The district is also seeing a savings in worker's comp. and unemployment.

Revenue includes unanticipated dollars, e.g., health trust surplus (\$180,000) and special education aid increase (\$122,190). The district continues to see the flip in the area of food service where a lot more is received from federal revenue and very little from food service sales locally; lunches remain free of charge.

The end result of the expenses and revenues is an Unreserved Fund Balance (UFB) of \$695,414. Anticipated reductions from that include the Maintenance Expendable Trust (\$200,000), Special Education Expendable Trust (\$25,000) and Retained Fund Balance (\$180,760). The projected fund balance to be returned to the tax base is \$289,654.

- School Board Update

At its last meeting, a good portion of the Board's discussion was around the public hearing and a proposed lease for energy efficiency improvements.

Holly Deurloo Babcock, Chairman, COOP School Board, noted a Board member has expressed concern around the Maintenance Expendable Trust Fund; appears we are transitioning to more of utilizing this fund as a placeholder for items that are known to be coming in the course of the year rather than as a savings account to fund known/planned expenses over time. The concern is, should the requested allocation not be approved, would the identified projects not be able to be addressed.

Chairman Mann stated her recollection the fund has been in place for the past 6 years and, for the last 3 or so, we have shifted the way it has been managed. One reason being it provides a consistency to the management of that fund from a business office perspective (all districts having a maintenance trust manage it in the same manner).

Regarding the question of whether required projects would be in jeopardy should the requested amount not be approved she stated her answer would be that they would not. The projects that get identified are what we truly believe the money would be expended on but are always subject to prioritization. If a lower amount or no amount were approved, further prioritization would take place, which is why we tend to see planned expenditures move out on the Capital Improvement Plan.

Even with the \$200,000 proposed allocation, there are numerous things that could impact the cost of planned projects, e.g., cost, supply chain issues. Projects would be reprioritized, but we are not prevented from doing them.

Chairman Mann commented on the information shared during the last Board meeting relative to testing results and how the district has been able to maintain, and in some cases improve upon scores.

- Metrics for Public Hearing

Chairman Mann provided information on the materials to be presented at the public hearing and sought the Committee's feedback.

The meeting will begin at 6:00 p.m. and consist of several public hearings; proposed lease for ventilation and energy upgrades, petition warrant article around adopting the provisions of SB2, and the proposed FY23 budget.

The meeting typically starts with a summary of the warrant from a financial perspective, which identifies the amounts listed in each article and percentage increase from the prior budget. Then provided is a quick overview of the budget distribution (pie chart). Comments would be provided around student enrollment and distribution and composition of enrollment. A brief discussion would occur around tax effort.

Revenue and State aid is covered. Most importantly will be notation of the reduction in both areas. The reduction in revenue is due to a change in the UFB. A significant amount was returned to the tax base in June, which is not anticipated to be the case again this year. That has the result of a reduction in revenue and an increase in the tax effort. An explanation will be provided on what is occurring with State aid. She will briefly mention the shift between the statewide educational property tax and adequacy grant. These reductions result in a greater amount that has to be raised through taxation.

It is a lowering of the statewide educational property tax, which each community pays separately. The plan was that adequacy aid would make up that difference. The State is anticipating doing that. However, we are looking at, at this point, an estimated reduction in our enrollment so until the State makes some other decision on how to manage that, the lion's share of what we receive in adequacy is based on our anticipated enrollment, and because that is anticipated to go down, that piece of adequacy reduces as well.

A chart will depict the areas that are driving the changes being seen in the FY23 tax effort.

Information will be provided on the distributions and metrics used to calculate apportionment and what the result is.

Stressed was that the numbers provided in the draft presentation are preliminary in nature and known to require change.

There are 6 financial articles on the warrant. The first is the proposed lease agreement for the acquisition and installation of energy efficient cooling equipment at Hollis Brookline High School to replace aging equipment, bring comfort to staff and students and to improve energy efficiency.

Ms. Seeley noted, at its last meeting, the school board was provided with four potential options for project scope. Option 1 would replace all non-A/C units. Estimated total cost is \$5,710,825 with an estimated lease payment (15-year lease) of \$478,061. Option 2 would replace the oldest non-A/C units (rooftop units from 1996-1998) at an estimated cost of \$4,047,885 (\$338,854 lease payment). This option would not include the key 3rd floor unit (upgraded in 2000). That would mean the floor in the most need of reducing temperatures would not have the greatest ability to do that. Option 3 would replace 4 units that include most of the 3rd floor and some 2nd floor spaces at an estimated cost of \$2,229,452 (\$186,630 lease payment). Option 4 would replace 2 units that include some 2nd and 3rd floor spaces with an estimated cost of \$1,252,567 (\$104,854 lease payment).

School Board Chair Deurloo Babcock explained, after much discussion, the Board approved a motion to authorize entering into a lease purchase agreement in the amount of (\$2,855,412). During the meeting, Member VanCoughnett, relayed to the Board that some members of the Budget Committee questioned why the Board would not seek approval for the total cost given the current low interest rate of borrowing and understanding there is a greater cost when spread out. Although members of the Board agreed that would be a good option, the Superintendent expressed concerns with prior experience that the community is hesitant to approve costs in excess of \$2 million and with the ability to complete the larger project at this time.

The Superintendent spoke of his view of the entire SAU and all of the projects proposed in the different districts. The other two districts are putting forth requests to address issues that are in the \$1-2 million range. Board members expressed the need for the Board to be focused on the COOP and what is best for the COOP district. There was some question as to why there was such a differential between the \$2 and \$4 million options (what is lost with a \$2 million project). The temperature on the third floor is the driver for this, and there was concern expressed around whether the \$2.229 million project would achieve everything desired.

The Board, at the suggestion of the Superintendent, agreed with simply dividing the largest amount in half and moving forward with what can be accomplished with that amount. It was understood whatever amount the Board approved would serve as a placeholder until public input can be received at the public hearing.

Ms. Seeley noted information now available on each unit (type) and location to identify areas of coverage, and identification of which units could be replaced given the requested allocation. For the most part, all of the front facing classrooms would be addressed. The desire was to focus on instructional spaces in both the 2nd and 3rd floors. The first year lease payment would be \$235,471.

Member Stanizzi questioned, if requesting the \$2,855,412, what would remain and when would it be addressed. Ms. Seeley stated a lot of the oldest units would be replaced (those viewed as priorities). Remaining units could be addressed as part of future discussions around the entirety of the building. Asked if the age of the existing equipment lends itself to becoming an emergent situation if not addressed at this time, Ms. Seeley responded it is not her understanding that any of the units are on the verge of failure although she cannot predict what may come about.

Member Rater questioned the driver for the proposal and was told of the desire to address the age of the units (many date back to 1996) and the comfort of the 2nd and 3rd floor being so difficult during certain times of year and the impact that is starting to have on the quality of instruction.

Member Maguire clarified this is strictly for cooling and dehumidification and questioned if the units are used solely for air circulation during the winter months when the heat is on. Ms. Seeley stated her belief that is the case.

School Board Chair Deurloo Babcock noted citizen outreach regarding ventilation concerns with COVID. The ventilation was looked at, and the district is meeting the needs of our students and ventilating, but this would

provide additional comfort and improved air quality. Ms. Seeley added they are definitely more energy efficient compared to the 1996 units.

Chairman Mann remarked people are aware of a lot of the federal funding that is available, and she wished to clearly note that the level of funding the COOP School District received does not enable the district to utilize it to cover the cost of a project of this magnitude. Ms. Seeley stated it would not be sufficient to make the first payment.

Member Rater questioned the life expectancy of the units and was told the current units date back to 1996, and a somewhat equivalent life expectancy could be anticipated. At the conclusion of the 15 years, the equipment is owned outright by the district.

Member Stanizzi stated appreciation for having gone through the exercise of reviewing costs of various options and having the information readily available for the public.

Chairman Mann commented in the context of the energy efficiency issues the district is looking at, any further modifications fall into whatever that plan will entail. Ms. Seeley responded most definitely; whatever phases we have after this will have an eye toward energy efficiency and enrollment.

Member Rater questioned future phases and what that would include. Ms. Seeley stated information is being worked on. The entirety of the plan is not yet mapped out. The current request is more a reaction to an immediate need and request from the public, staff, and students. It showed itself to be the ideal phase I to a project that has not yet been fully vetted.

Asked if there is the same level of detail for each of the four options or if what was provided was the desired direction, Ms. Seeley stated her belief the remaining aspects of what was option 1 would be rolled into future phases. Chairman Mann commented, at this point, we are moving forward with saying the \$2,855,412, is the view we will be proposing. Ms. Seeley stated that to be the most immediate need. School Board Chair Deurloo Babcock added that is where the Board landed, but she is not certain the public or Board will not ask for further clarification as to what we would get if we spent the \$5.7 million. She believes the answer is that all of the units would be addressed. She feels the Board was concerned about not having this level of detail for each option presented.

Member Stanizzi remarked his only concern would be with cost escalation of the \$5.7 million as it would take time to complete the project. Ms. Seeley noted some of the units that would be replaced are ones that are in good working order right now in terms of cooling. She is uncertain there would be the desire to replace things that are in good working order now even though the cost may increase down the road. She is uncertain what the support would be for cooling the gym and mini gym.

The next article on the warrant is the cost for the second year of the support staff contract.

The third article is that of the operating budget. Charts will be displayed providing a comparison to the prior year's adjusted operating budget (warrant article amount plus approved contracts) and main budget drivers.

The fourth is the district's portion of the SAU operating budget. The main driver there is the new position.

The next article is the \$200,000 appropriation to the School Building and Facilities Maintenance Expendable Trust Fund. The projects identified include roofing at the high school, road paving, and HVAC for HBMS.

Article 6 is the Special Education Expendable Trust Fund allocation of \$25,000.

From there are the four petition articles; public access to curriculum materials, retained fund balance, adoption of SB2, and including tax impacts on the warrant. The only petition warrant article requiring a public hearing is related to SB2.

- Pending Legislation

Provided the Committee (copy attached) was a 2022 legislative overview.

ANNOUNCEMENTS

The Public Hearing is scheduled for 6:00 p.m. on Wednesday, February 7th at the Middle School

PROCESS OBSERVER READOUT

Member Whalen commented on the efficiency with which the meeting was run.

ADJOURNMENT

**MOTION BY MEMBER STANIZZI TO ADJOURN
MOTION SECONDED BY MEMBER WHALEN**

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

Yea:	Tom Whalen, Darlene Mann, Matthew Maguire, Anthony Stanizzi, Brian Rater	5
Nay:		0

MOTION CARRIED

The January 27, 2022, meeting of the COOP Budget Committee adjourned at 7:28 p.m.

Date: _____

Signed: _____



2022 Legislative Overview

As of 1/11/2022

Legislative Summary

- Over 1000 LSRs submitted for consideration
- Over 250 being tracked by the NHSBA due to impacts to school districts
- Not all school district impacts are financial in nature
- Many bills address non-financial elements including SB responsibilities, processes, policies
- Bills assigned to various committees including Education, Municipal/County Government

Legislation Impacting School Districts

- **SB 426 - Requires use of highest of the average daily membership in residence for school years 2020, 2021, and 2022 in calculating adequate education grants for fiscal year 2023.**
- HB 607 – TABLED – would have allowed contribution to EFA to be funded by the school districts based on a modified CPS calculation as opposed to a fixed amount determined by the state
- HB1605 – Requires school administrative units to annually report to school districts the 5-year projection of future enrollments within the school administrative unit, including cost-per-student
- **HB 1417 – Reinstates state contribution to NHRS for Group I Teachers and Group II Members of 7.5% of normal contribution with the remaining 92.5% plus unfunded liability plus medical subsidy funded by the employer.**
- HB 1194 – Amends the process for overriding a tax cap by 3/5 majority on a ballot which is not the ballot for electing officers and changes order of warrant to move SAU budget to the beginning of the warrant.
- **HB 1393 - Establishes the requirements and procedure for the adoption of a school district budget cap.**
- HB 1366 – Clarifies the language to submit proposed plans for cooperative school board reapportionment by petition
- **HB 1276 – Allows for a school district to require the cost per student information be noted on the school district budget and special warrant articles.**
- **HB 1399 -Addresses dissolution of cooperative school districts allows payment of equity position to withdrawing district**
- **HB 1679 – Requires all cooperative school districts to develop dissolution plans effective 6/30/2025**
- HB 1155- For cooperative school district budget committees, a person elected to a local board shall be a nonvoting ex officio member of other local boards the person is appointed to, serving on, or is a liaison to
- **HB 1183 - Allows a 10% tax credit of state and local education taxes to individuals who are 75 or older and have lived in the municipality for 5 years**
- SB 232 - Reinstates limits on use of retained fund balance as revenue for emergency purposes and to offset the tax rate
- LSR 2374 – Regarding the voting threshold for multi-year collective bargaining agreements

Legislation Impacting School Districts

- HB 1131- Prohibits school boards and accredited nonpublic schools from adopting, enforcing, or implementing a policy that requires students or members of the public to wear a facial covering.
- HB 1371- Requires school districts to adopt a policy leaving facial mask use to parents of students and not tolerating bullying, harassment, or discrimination.
- HB 1295 - Requires school districts to report in-classroom observer policies and in-classroom audio/video streaming and recording policies to the department of education.
- SB 235 - Allows a local school board to offer students multiple instructional options, including traditional classroom, distance education, or hybrid instruction models using a combination of classroom and distance learning.
- HB 1434 - Requires that curriculum course materials taught to pupils in public schools and public academies be available to the public.
- HB 1072 - Prohibits the denial of access to any school facilities, documents, or school events to persons in elected school district positions. A violation is a class B misdemeanor.
- HB 1137- States the duties and responsibilities of elected school boards and allows school boards to contract with any private school approved by the school board as a school tuition program.
- HB 1255 - Expands the prohibition on teacher advocacy of subversive doctrines.
- HB 1381 - Allows for at least one student member on the school board from each public high school in the district.
- HB 1646 - Requires cooperative school district boards to have an elected member from each pre-existing district.
- SB 304 - Removes provisions concerning freedom from discrimination in public workplaces and education, and clarifies the authority of public schools and public employers concerning discrimination.
- HB 1015- Revises the requirements for school district policies providing an alternative to specific course material based on a parent or legal guardian's determination that the material is objectionable.

Legislation Impacting Meetings of Public Bodies

Virtual Meetings

- HB 1014 - Allows public meetings to be conducted virtually.
- SB 322 – Modifies the physically present quorum requirement for meetings of public bodies, allowing for remote attendance of members and one member in physical attendance in an emergency.

Public Comment

- HB 1169 - Establishes requirements for public meetings held by a school board to include a designated time period for questions from the public and answers from the board. The bill also allows an attendee of a meeting of the school board to demand which New Hampshire statute or administrative rule gives the school board the authority described in a school policy or operational procedure.
- HB 1195 - Requires that all open meetings of public bodies have a period designated for public comment.
- SB 410 - Requires public comment periods at school board meetings, the adoption of a school board code of ethics developed by the state board of education, and procedures for amendment and submission of school district charters.