HOLLIS BROOKLINE COOPERATIVE SCHOOL DISTRICT
BUDGET COMMITTEE
APRIL 27, 2023
MEETING MINUTES

The Organizational Meeting of the Hollis Brookline Cooperative School District (COOP) Budget Committee was conducted on Thursday, April 27, 2023, at 6:35 p.m. at the Hollis Brookline Middle School Library.

Chairman, Darlene Mann, presided:

Members of the Budget Cmte. Present:	Brian Rater Tom Whalen Tom Solon, School Board Representative
Members of the Budget Cmte. Absent:	Raul Blanche, Vice Chairman David Blinn Matthew Maguire Anthony Stanizzi
Also in Attendance:	Kelly Seeley, Business Administrator

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 Meeting Observer.

ELECTION OF OFFICERS

Chairman Mann called for nominations for Chairman of the Hollis Brookline Cooperative School District Budget Committee for the 2023-2024 term.

MEMBER RATER NOMINATED MEMBER MANN
SECONDED BY MEMBER WHALEN

VOTE ON ELECTION OF DARLENE MANN TO THE POSITION OF CHAIRMAN OF THE HOLLIS BROOKLINE COOPERATIVE SCHOOL DISTRICT BUDGET COMMITTEE FOR THE 2023-2024 TERM
MOTION CARRIED
4-0-0

Chairman Mann called for nominations for Vice Chairman of the Hollis Brookline Cooperative School District Budget Committee for the 2023-2024 term.

MEMBER RATER NOMINATED MEMBER BLANCHE
SECONDED BY MEMBER WHALEN

VOTE ON ELECTION OF RAUL BLANCHE TO THE POSITION OF VICE CHAIRMAN OF THE HOLLIS BROOKLINE COOPERATIVE SCHOOL DISTRICT BUDGET COMMITTEE FOR THE 2023-2024 TERM
MOTION CARRIED
4-0-0

Chairman Mann noted RSA 32:15 states in part:

"I. The budget committee shall consist of:
(a) Three to 12 members-at-large, who may be either elected or appointed by the moderator, as the town or district adopting the provisions of this subdivision shall by vote determine, who shall serve staggered terms of 3 years; and
(b) One member of the governing body of the municipality and, if the municipality is a town, one member of the school board of each school district wholly within the town and one member of each village district wholly within the town, all of whom shall be appointed by their respective boards to serve for a term of one year and until their successors are qualified. ***Each such member may be represented by an alternate member designated by the respective board, who shall, when sitting, have the same authority as the regular member."***

APPROVAL OF MINUTES

COOP Budget Committee . . . . . January 26, 2023

MOTION BY MEMBER RATER TO ACCEPT, AS PRESENTED
MOTION SECONDED BY MEMBER WHALEN
MOTION CARRIED
3-0-1
Member Solon Abstained

Jt. Mtg. Hollis Brookline COOP School Bd. / COOP Budget Committee. . . . . February 2, 2023

The following amendments were offered:

Page 2, Line 26; insert "to the public" following "return"
Page 2, Line 30; replace "change" with "decrease"
Page 4, Line 44; replace "so" with "of"
Page 14, Line 43; delete "to" before "the extent"
Page 17, Line 34; correct spelling of "moot"

MOTION BY MEMBER WHALEN TO ACCEPT, AS AMENDED
MOTION SECONDED BY MEMBER RATER
MOTION CARRIED
4-0-0

Hollis Brookline Cooperative School District – **Public Hearing FY24 Budget** . . . . February 2, 2023

The following amendment was offered:

Page 2, Line 30; replace "$15/hour" with "$15 hourly rate"

MOTION BY MEMBER RATER TO ACCEPT, AS AMENDED
MOTION SECONDED BY MEMBER WHALEN
MOTION CARRIED
4-0-0

Hollis Brookline Cooperative School District – **Public Hearing-Bond** . . . . . February 20, 2023

The following amendment was offered:

Correct page numbering in the header

MOTION BY MEMBER RATER TO ACCEPT, AS AMENDED
MOTION SECONDED BY MEMBER WHALEN
MOTION CARRIED
3-0-1
Member Solon Abstained

Hollis Brookline Cooperative School District – **Public Hrg.–Pet. Warrant Article**. .February 20, 2023

MOTION BY MEMBER RATER TO ACCEPT, AS PRESENTED
MOTION SECONDED BY MEMBER WHALEN
MOTION CARRIED
3-0-1
Member Solon Abstained

PUBLIC INPUT - None

GENERAL BUSINESS

- District Meeting Review and Budget Planning

Chairman Mann noted the proposed articles were approved by the voters with the exception of Article 1 - energy efficiency upgrades. As a result, the interest payment of $76,920 for the first year did not have an impact on the FY24 budget. The total approved budget of $28,251,867 represents a 5.03% increase over the FY23 approved budget.

There is a Contingency Fund, an increase to the percentage for the Retained Fund Balance, a Special Education Trust, Unassigned Fund Balance, Maintenance Trust, and SAU Budget.

Noted was the recount conducted on the SAU Budget. Member Solon questioned the feelings of the Committee regarding the fact that because Brookline is an SB2 community they wipe out the vote of everyone else. He suggested the idea of apportioning whereby each participating district has a fixed number of votes. Member Rater stated his belief it is governed by RSA. Member Solon agreed, and asked if people are bothered enough that they would like to see legislation proposed, e.g. if each district was afforded X number of votes and those votes were apportioned proportional to the vote within that district. Right now the votes are weighted, and Brookline has a weight of about 10-1.

At the SAU 41 Governing Board level, each board, regardless of size, is awarded 3 votes and those 3 votes are distributed proportionally amongst those who are present and voting.

At this year's meeting, Brookline cast 841 votes. The total cast between Hollis and the COOP was 370.

Member Whalen questioned if that is unlike the COOP Annual Meeting where there is a significantly higher percentage of Hollis residents present at the meeting, therefore the vote is weighted heavily towards Hollis interests. Member Solon remarked if that occurs then yes, it is equivalent to that. That is the current situation. Because of the different structure of SB2 versus district meeting, the probability of getting a disproportionate representation from an SB2 voting district is highly probable.

In theory there is no difference because the idea is that everyone can vote in each election, but the reality of it is that it does not happen. He was looking to determine if there is interest and support in the potential for a revision to that practice.

Chairman Mann remarked it is an interesting idea. Member Rater stated it would require legislative action, therefore, the Committee's input is limited. Member Solon responded that is only to the extent that we have legislators that we could approach to sponsor such a bill if we thought it was important.

Chairman Mann commented in prior years the difference in the level of participation at the polls has not been as significant as it was this year. Member Solon remarked he is uncertain if it has even been highlighted. There was a surprisingly large turnout for this election in Brookline. Member Rater added they were overwhelmingly voting in support of the COOP in both districts, which was really good to see.

Chairman Mann spoke of the Committee's awareness of the legislative process and suggested there may be other legislative initiatives believed important as well.

Chairman Mann questioned whether members had feedback to provide concerning the last budget process.

Member Rater remarked it would be helpful, to the extent possible, to have some estimates of what is anticipated with regard to revenue; if we know there will be some significant change in revenue that might impact our final decisions. The problem is revenue estimates would be made far in advance of when the figures are understood.

Chairman Mann commented, as a budget committee, we are focused on the budget and obviously put attention to the revenue estimate and use it in determining what the tax rate impacts and estimates are. Especially this year, there were things outside of the budget process that impact tax rates in a way that resulted in significant changes in what the impacts would be based on the information we had at the time. It is good to have attention to it, but she is a firm believer in building the right budget based on everything we do that gets us through the process, and tax rates are an end result of that process. It is important to understand the impacts on taxpayers. We have had years where budgets have gone up and tax rates have gone down. This can be discussed further at a future meeting. She would be concerned to the degree we might decide on the budget based on a revenue estimate that is even further afield from the amount of time and effort that gets put into determining where we think the budget should be.

Member Rater added it is helpful if you know far enough in advance there will be significant revenue change in one direction or another and less helpful if it is the normal year to year uncertainty.

Member Solon commented he has had this underlying question of how one establishes what a good budget is because in our personal lives budget is often driven by the income side as opposed to the expense side. In that context, a starting point for many individuals' budgets is how much I have to spend and then what I can spend it on. That is an ongoing argument made at the microphone. What was just stated completely flips that; sounds as though this committee views its responsibility as looking almost exclusively, at least for a starting point, at what is being defined as the need (spending). In that context, how does the Budget Committee, in its role of owning the budget, see it as saying yes that is something that should be part of the

budget or not. The law is very clear on the division of responsibilities and who owns the education part of it and who decides what is appropriate, yet it would sound like you cannot make that decision as to whether this is an appropriate element of the budget or an amount for the budget without wading into those waters.

Member Rater responded early on in the process the committee decides on a budget target, which is to say they produce a percentage and say taking out the one-time expenses from the prior year and then adjusting the prior year's budget by a certain percentage, here is the target. We give that to the administration early on as their target (guidance).

Asked what dictates that percentage, he stated it to be a number of factors, e.g., what is occurring with inflation. It is a goal that is derived. The administration tries to produce a budget that is near the target. They show us all of the things that they can do with that budget and the things they would have liked to have done but pulled out in order to get to that target. Then the committee looks at those major influences and may adjust the target. There is not necessarily a whole lot of overlap with education. Most of the things we are more concerned with are usually facility items.

Chairman Mann added whatever strategic goals the School Board has that they have shared with the Administration and for what those educational goals or curricular needs are, is what the Administration brings before the Committee. Setting guidance is that parameter/upper limit, but we are going to talk through how items are prioritized and leave the decision of whether something in the budget needs to be cut to meet guidance as a priority discussion the administration takes. If they really feel it is a significant enough need that it should be something in excess of guidance, they will bring that argument to the Committee for discussion. We are not necessarily wading into telling the administration what the appropriate educational goals are. They rely on the administration to align the budget to the strategic goals set for the district by the School Board.

Member Solon commented a personal pet peeve of his is the funding and use of the facilities fund within the same period. He believes that is not in keeping with the original intent of the fund. If it is going to be going forward, he would like to see some means for it to be identified as a real time funding source. He is not alone in the perception that this is a savings account for big ticket items.

Member Whalen commented that each group has its own responsibility, but we all have the same goal. We want to make a good product and we have to align our budget requirements and our educational requirements to achieve that. Our ultimate response is the vote. Voters approve our budget. There are only two sources of revenue for a voter; taxes and everything else that comes in. They do not care where it comes in, just whatever they are paying in taxes. If they agree that they will pay a certain level of tax or within a certain estimated amount of tax before revenues are finalized, then the Budget Committee has probably done its job and they are also voting in favor of the work of the School Board and Administration.

Asked if there has been thought of taking the show on the road to the towns to avoid the finger pointing that occurs during budget season where the COOP is the scapegoat for taxes, Chairman Mann responded she has done that before. She always finds herself feeling as though she needs just a little more time to explain the process and the impacts. She is not an advocate for social media and does not participate in it particularly at that time of year. She has considered what the best ways are to educate taxpayers. One of the most important messages to communicate is that when looking for information, go to a source that is related to SAU41 whether that is attending school board or budget committee meeting, reading the minutes, visiting the website, etc. If you are seeing data of any kind, ask yourself if it came from the district. She would like to get that message out.

Member Solon questioned if the Committee would be permitted to make a five-minute presentation at each town's meeting or deliberative session. He is of the belief that the charts that provide historical data would be an effective tool as they compare budget increase versus tax effort increase and adjustment for inflation.

Chairman Mann commented a few years prior information was provided that addressed some of those things and that could be made available before the meeting. She is uncertain how much other districts would want to extend their meeting time. Member Solon clarified he was suggesting Town meetings as opposed to district meetings. Member Rater stated his belief that for Brookline the school district would be more open to that than the Town would be. The problem is the Town meetings go on late with the numbers of items they have to cover, and this feels a little bit too off topic to push everything else back.

Member Solon stated he was thinking of a time where there was a captive audience and sort of as a preemptive rebuttal. Those are the places where he frequently sees the COOP being blamed for people's tax bills. It is not quite as damaging when the COOP district meeting goes first, but in cases where it is one of the last to get voted on and there is already a lot of voter fatigue, it impacts people's decision process.

Member Rater remarked if the Budget Committee is going to go up to a town meeting and offer a presentation then if someone wanted to make an opposing presentation it would be reasonable to allow that and also to allow people to ask questions. He does not think the towns would want to endure that amount of time being added to the meeting for something that is not on their warrant articles. He likes the idea, and it is something he had not considered before.

Chairman Mann stated that could be discussed further.

Member Whalen remarked he thought the meeting went very well overall. The budget process was a grind all year with the Administration working hard to get to where they did. In the end, he felt that because it was a grind everybody understood the budget. By the time it was time to finalize the budget everyone agreed with it being the best it could be.

Chairman Mann commented one of the things she struggles with the most are the impacts of petition warrant articles when there are as many as we have seen. She was very relieved that we were finished in one late night. If having to have a second night it changes the participants, etc. Member Solon added it compromises the integrity of the meeting.

Chairman Mann stated the desire to consider what could be done with the petition process. She does not begrudge anyone their right to submit petition articles but believes having such a low threshold in a Cooperative School District has left us voting on the same petition articles; at least 3 of the 5 have been in front of the voters for 5 years. She questioned if there could be a threshold for the number of petition warrant articles from each community that is a participant in the Cooperative district or if there is a mechanism for restricting the number of times the same article can be put forth.

Member Solon noted Tom Enright provided public input at the last school board meeting. One of the points made was that 25 people (number of signatures required to put forth a petition warrant article) does not represent the majority of the Legislative Body. Another point made was when something has been voted on numerous times, there is a clear message that has been made. He was not advocating that they be prevented from bringing it forward, but if the Legislative Body says we know what this is, we have voted on it, we understand, and we do not need to hear about it again, voting to table is a valid response that does in fact reflect the will of the Legislative Body.

He suggested, as members of a somewhat influential environment, particularly as we are getting towards the time when meetings and votes are going to occur, we editorialize to remind the public that voting to table is voting. It is not a disservice, it is not going against the process, it is actually exercising the process. We need to remind people so that they understand the value and purpose of the mechanism.

Chairman Mann commented on some of the issues addressed by the Committee throughout the year and questioned if there are topics or specific items members wished to appear on future agendas.

Member Solon commented another item Mr. Enright brought up was having changed his view on contracts being sanbornized. Member Solon commented there are those who have been on the Budget Committee who are against sanbornization because of perception that it is something that is obligating future boards. He believes it worth having that discussion at the committee level, when a full membership is present, as he does not believe it to be a clear cut topic and believes that the Committee's position on sanbornization of a contract is important.

Asked to clarify the intent, Member Solon responded that having the discussion prior to a contract being presented gives the Committee an opportunity to discuss in theory rather than with numbers presented. Asked if the intent would be to provide input into the negotiations, Member Solon stated no, to provide it as a thought process for this group because it may be something that needs to be considered.

Member Whalen remarked we have members that vote against a warrant simply because of sanbornized contracts. They will usually make that statement at the hearing. That discussion is had. Member Solon clarified he was saying discuss the sanbornization process as a process without tying it to a specific contract; discussing the pros and cons of sanbornization as a principle.

Member Rather stated he is a little hesitant to get into a long philosophical discussion of something that is not going to end up with any sort of action to it. However, this is an important topic, and he can see having a discussion. It is just a little outside of the Committee's normal process.

Member Solon stated he suspects he will be on the Negotiating Team, and it would be helpful to him to hear various opinions on the pros and cons. The discussion can be viewed as something to provide input to the negotiating team. Member Rater commented that makes it a little more actionable.

Chairman Mann suggested it could be a larger discussion around Collective Bargaining Agreements (CBAs) and include a review of the last few agreements to see where we were and where they ended up.

Member Whalen stated a desire to know more about legislative impacts on revenue items (what is occurring in Concord at this time).

Member Solon questioned if members of the Budget Committee have access to the New Hampshire School Board Association (NHSBA) information. The NHSBA provides weekly legislative updates.

Chairman Mann spoke of discovery that in the most recent documentation on the DOE website the apportionment formula for the district was mischaracterized. They were able to track down prior versions and look through historical information to identify where the disconnect happened and are working on correcting that. Nothing affected how our apportionment formula was applied. From a tax impact there was never any miscalculation, but if a member of the public is pulling up a document that says here is what all of the cooperative district apportionment formulas look like, Hollis Brookline was not correct.

Member Solon stated a desire to learn of the process used for what is the appropriate percentage to apply to guidance. He would like to learn of anything external that is used as input to that decision. Chairman Mann stated it to be a conversation at that time of year using Bureau of Labor statistics, see where CPI is, etc.

- Financial Update

As of 4-3-23, anticipated to be returned to the taxbase is $509,407. Unexpected savings have been seen in the area of special education and savings resulting from positions going unfilled.

On the revenue side of the ledger, highlighted was the increased revenue resulting from the reimbursement from the New Hampshire Retirement System in the amount of $135,221, which is less impactful given the reduced revenue in the special education aid line ($48,405).

Reduced from the Unreserved Fund Balance are the voter approved allocations to the various trusts resulting in the projected fund balance of $509,407.

Member Solon questioned the allocation to the Retained Fund Balance, specifically if the School Board would be asked to vote on the amount at the next meeting. Ms. Seeley noted that is typically addressed by the Board in the August timeframe.

Asked if there is any idea of encumbrances, Ms. Seeley stated the Administration has started those discussions. There are plans to make some security improvements for both the middle school main office entrance and the back entrance of the high school. They are waiting on estimates for the middle school. There is also the desire to purchase additional interactive flat panels.

Asked if there was any impact as a result of the bond article not passing; specifically, improvements that need to be made as part of the DES requirement, Ms. Seeley stated they are giving us until next summer to have the work completed. She does not anticipate they will provide additional time beyond that.

Member Solon asked for additional clarification it would be the summer of 2024 (FY25) and was told that is the case.

Ms. Seeley stated she, the Superintendent and Facility Director met with the consultant and asked for numbers if going in a step-down direction so that we might be able to do something that is not a bond. We are going to have to budget for the pipes as we are required to do those if we do not have another solution. That estimate is in the area of $350,000.

There are a few other encumbrances that are being considered. She would like to conduct additional research and have a better idea of costs before the presentation. She anticipates it will go up, and the Retained Fund Balance is unknown. The combination of the two could result in more dollars being available. Asked when the fund balance is returned to the towns, she stated it goes into the tax rate calculations in October (December tax bill).

- School Board Update

Member Solon noted the upcoming CBA. He is very concerned, having listened to what is occurring around the country (varies wildly). We have a very volatile staffing situation as well; have had more retirements in the past year or so, hiring new staff. This will also be the first negotiation with the new union leadership. He believes the School Board has pretty clear feelings about its position. He commented on not having had middle school representation on the negotiation teams for a number of sessions.

Chairman Mann noted the Committee was provided with a link to an article regarding enrollments and funding that was published in several local papers. The intent was to provide information that is out there that is being presented and discussed. Member Solon commented that the article is helpful and interesting. The data speaks for itself, which he finds most useful.

ANNOUNCEMENTS - None

AGENDA BUILDING

The next meeting is scheduled for May 25, 2023.

Asked if there is a general outline as to what topics are discussed during particular meetings, Chairman Mann responded in May the Committee will be provided with an overview of Food Service, June will include the Facilities overview, August is the audit, September is pre-budget planning and discussing initiatives, etc., October is preliminary guidance, and November the Committee finalizes guidance and reviews additional data such as enrollment and adequacy. The SAU budget is discussed in the September-November timeframe. In December, it is a continuation of the budget process and understanding warrant articles. By January they would want to understand the details of the CBA, and then go right into the public hearing and March meeting.

The Committee does not typically meet in February because the public hearing is earlier in the month. Similarly they do not typically meet in March because of the March meeting. The Committee does not meet in the month of July.

PROCESS OBSERVER READOUT

Member Whalen spoke of being pleased with how the meeting was run and with the interesting discussions.

ADJOURNMENT

MOTION BY MEMBER RATER TO ADJOURN
MOTION SECONDED BY MEMBER WHALEN
MOTION CARRIED
4-0-0

The April 27, 2023 Organizational meeting of the COOP Budget Committee was adjourned at 8:04 p.m.

Date: _____ Signed: _____