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HOLLIS/BROOKLINE COOP BUDGET COMMITTEE

June 8, 2009 Minutes

- Members Present: Steve Pucci, Doug Davidson, Lorin Rydstrom, Ray Valle (by telephone until 6:47 PM) and Greg d’Arbonne. Forrest Milkowski and Dan Peterson arrived at 6:39 PM.
- Members Absent: Greg McHale.
- Guests/Public Present: None.

COMMITTEE ORGANIZATION:

MEMBERSHIP	E-MAIL/MAIL
Steve Pucci, Chairman	sdpucci@earthlink.net
Greg McHale, Vice Chairman	H: greg.mchale@gmail.com
Greg d’Arbonne, Secretary	H: Gdarbo6844@aol.com W: Gdarbonn@systems.textron.com
Dan Peterson, School Board Representative	DanJPeterson@usa.net
Doug Davidson	rangerfund@charter.net
Forrest Milkowski	ForrestMilkowski@earthlink.net
Lorin Rydstrom	Lorin.rydstrom@fctg.com
Ray Valle	delv@tds.net

1. Committee Chairman Steve Pucci called the meeting to order at 6:14 PM.
2. The March and April Minutes were motioned for approval. Lorin Rydstrom made a motion that the March and April 2009 Minutes be approved as published by Greg d’Arbonne as Draft 1 for each. Doug Davidson seconded the motion.
 - a. **Motion:** Lorin Rydstrom made a motion that the March and April 2009 Minutes be approved as published by Greg d’Arbonne as Draft 1 for each. Doug Davidson seconded the motion.
 - b. **Vote:** 5 in favor of the motion, none against, none abstained. The Minutes of March and April 2009 were approved.
3. Steve Pucci asked if there were any “Hot Issues” that have come out since the last meeting. None identified.
4. Steve Pucci reviewed the School Board Minutes:
 - a. In the Minutes there was one related to the American Recovery and Reinvestment Act. His understanding that the effort to go after some of these funds seems substantial and the requirements are not clear. It seemed that there was no decision to go after these funds until all requirements for compliance and use were understood.
 - b. There was an update to the Energy Independence effort. The group asked for an initial \$30K to hire an energy consultant; overall cost appeared to be \$70K. Steve commented that existing energy conservation ideas and “low-hanging fruit” should be addressed first before hiring a consultant that is paid based on savings. Plus, it is critical in a payment-based-on -savings agreement to understand the fine print such as determining start/stop points, what happens if ideas are not implemented, acts of god, etc. Forrest, Doug and

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others expressed concern that this effort was not supposed to cost the taxpayer any money. The committee should consider companies/doners/volunteers to provide any funding as previously communicated. Several of the Budget Committee members voiced agreement with Steve about this idea of a consultant. Doug Davidson suggested we make a motion that says the Budget Committee is against this idea. Ray Valle suggested we make a motion that is worded that the Budget Committee advises the School Board that before it signs any contract for potential savings on energy savings that internal examination of cost savings be done first. Doug made a motion that we table this discussion until later in the meeting. Lorin Rydstrom seconded the motion. The motion passed unanimously.

- c. The School Board talked about the current Budget and there is an unreserved fund balance of ~\$660K currently as of the end of April. It was the belief that a substantial amount of this would still remain at the end of June. With two months to go until the end of the June, it is possible that some additional expenses would occur. It was stated that additional information on final year-end balance, and discussion or considerations about how it should be spent, would occur at the June SB meeting. Steve suggested the Budget Committee might consider providing some input to the SB on how to handle this unreserved fund balance even though it is the SB's decision.
 - d. Doug asked how the Board arrived at the salaries for the two new positions and Steve did not know.
 - e. Health Care was discussed to determine what additional plan offerings were possible for the next school year. It was stated that June was the Open Enrollment season and decisions would have to occur rapidly. Based on previous discussions between BudCom, SB and SAU Administration, the SB actioned the District Business Administrator and Dan Peterson to determine additional plan options that would provide both lower employee monthly payments and lower costs to the District. Steve did not know if this was accomplished.
 - f. The FY11 budget was discussed and Dan Peterson said the Budget Committee was leaning toward a similar budget next year.
 - g. Dan Peterson arrived at the meeting and said he met with the SAU Business Administrator and he said the health plans went out to the teachers and it will have considerable savings as earlier discussed. They are the existing plans and two of them with deductibles and a Health Savings Account (HSA) plan as well.
 - h. Dan clarified that the 2 new teacher positions asked about earlier use the current schedule for determining salaries.
5. Unreserved fund balance: Steve Pucci reviewed the earlier discussion for those not present at the time. Dan Peterson stated the amount is much higher than in past years and they need to look at why. All members were very concerned about what happened and what about previous years. Forrest Milkowski made a motion that the Budget Committee have a meeting with the Administrators at the first Budget Committee meeting after the books are audited and signed to discuss the unreserved fund balance. Lorin Rydstrom seconded the motion.

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- a. **Motion:** Forrest Milkowski made a motion that the Budget Committee has a meeting with the Administrators at the first Budget Committee meeting after the books are audited and signed to discuss the unreserved fund balance. Lorin Rydstrom seconded the motion.
 - b. **Vote:** 6 in favor of the motion, none against, none abstained. The motion passed.
6. Steve Pucci asked how we want to approach this unreserved fund balance and what considerations we would provide to the SB on what to do with these funds. Dan Peterson stated the School Board has in the past been reluctant to use these kinds of funds and when they do, it is for infrastructure issues. BudCom options discussed were to give the money back to the taxpayers. Lorin Rydstrom made a motion that the Budget Committee recommend, given the potential size of these funds, that the School Board be very judicious when spending these funds with the Budget Committee's preference being returning to the Taxpayers the unreserved fund balance. Greg d'Arbonne seconded the motion. Forrest Milkowski suggested we give a percentage. Discussion by the members ensued with various opinions of whether there should be an amount they spend, a percentage, should the Budget Committee decide, will we be rewarding bad budgeting behavior, or the number is large because something was missed and will need to be filled. Vote: 6 in favor, none against, none abstain.
- a. **Motion:** Lorin Rydstrom made a motion that the Budget Committee recommend, given the potential size of these funds, that the School Board be very judicious when considering any spending of these funds with the Budget Committee's preference being returning to the Taxpayers the unreserved fund balance. Greg d'Arbonne seconded the motion.
 - b. **Vote:** 6 in favor of the motion, none against, none abstained. The motion passed.
7. Budget Project Areas: Steve Pucci asked for an update from the BudCom Champions, and /or identify which BudCom person would be leading/co-championing these areas.

Energy Rates, Conservation, Expendable Supplies, Transportation: Greg McHale, Dan Peterson: Meeting scheduled for later this week to define goals, objectives, milestones/timing. A key area will be what goals are set. Plus, help was offered by BudCom members with past experience if ideas or best practices were needed for specific areas such as electricity options.

Teachers Contract negotiation: Steve, Greg M?: Steve was wondering what the next steps are with the negotiation of the contract. He thought there would be a joint discussion between a couple of Budget Committee members and the School Board negotiators. Dan Peterson said that the negotiators and their charter have not been defined yet so he cannot answer Steve's question. Steve asked when those decisions would be made and Dan said the Board had discussed when they thought this would be done and it had not been decided yet. Steve asked if there were other Budget Committee members who are interested in co-championing this issue, and Forrest Milkowski expressed interest.

For the Special Needs area, Lorin Rydstrom is championing this and had nothing to report. Forrest said he will help Lorin.

For the Educational Improvement,: Steve was wondering what specific strategic initiatives are being discussed to improve in this area. In addition, if there were any improvement metrics that

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were being developed. It was agreed that curriculum is a School Board and Administration issue but the Budget Committee uses the Budget Process to influence this. Steve was wondering what the School Board's plan in this area is. Dan stated that this came up in the last SB meeting, and the Administrators have been asked to develop a strategic plan. Timing is tbd.

Budget Process: Ray, Steve. There are discussions occurring to determine how data collection, definitions, format, and communication can occur more efficiently across the SAU. Plus, save time for key people such as the Business Administrator. Separate meetings will occur. Dan suggested that we should better utilize IT to enable web-based availability.

Facility Space: tbd

Dan asked if there was a Budget Committee person on the facilities group as he believed the suggested membership included a Budget Committee person as well. It was suggested that Greg McHale be on this committee.

8. The topic of an energy consultant was tabled earlier and was brought forward at this time. Forrest Milkowski stated he agreed with the earlier discussion. Doug Davidson made a motion that the Budget Committee is against any authorization to set aside funds for hiring consultants regarding Project Progress at this time. Greg d'Arbonne seconded the motion. The committee discussed this issue and all agreed that the understanding of the Project Progress was to use volunteers or corporate sponsors but not budget funding for this. There are plenty of energy conservation measures that can be identified and implemented without having to pay a consultant. Vote: 5 in favor, 1` against, no abstain.

- a. **Motion:** Lorin Rydstrom made a motion that the Budget Committee is against any authorization to set aside funds for hiring consultants regarding Project Progress at this time. Greg d'Arbonne seconded the motion.
- b. **Vote:** 5 in favor of the motion, 1 against, none abstained. The motion passed.

9. The next Budget Committee meeting will be July 13, the second Monday of July.

10. Forrest Milkowski made a motion to adjourn. Dan Peterson seconded the motion. There was unanimous approval. The Budget Committee meeting adjourned at 8:44 PM.

Respectfully submitted,

Greg d'Arbonne
Secretary