



Town of Hermon
Public Safety Meeting Room
May 5, 2022
Town Council Meeting
7:00 PM
MINUTES

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ALL ITEMS ARE SUBJECT TO APPROPRIATE COUNCIL ACTION

I. CALL TO ORDER BY CHAIRPERSON

II. PLEDGE OF ALLEGIANCE

Chair Thomas led those in attendance in the Pledge of Allegiance

III. ROLL CALL

Members Present: Ronald “Ron” Murphy, Phillip “Phil” Richardson, G. Stephen “Steve” Watson, Charles Lever IV, Steven “Steve” Thomas, John Snyder III, and Anthony “Tony” Reynolds

Members Absent: None

Others Present: Town Manager Howard Kroll, Town Clerk Kristen Cushman, Superintendent Micah Grant, and 30 guests

IV. REVIEW CONSENT CALENDAR: REGULAR BUSINESS, APPOINTMENTS, SIGNATURES, And APPROVAL OF MINUTES:

SIGNATURES. –APPROVE

MINUTES. -APPROVE 4/28/2022 Minutes

WARRANTS. –SIGN

RESOLVES. –SIGN

Councilor Murphy moved to approve the Consent Calendar as presented. Councilor Snyder seconded the motion. Motion passes 7-0.



V. NEWS, PRESENTATIONS AND RECOGNITIONS:

VI. PUBLIC ITEMS OR COMMENTS: *(Items Not Already on Agenda)*

VII. PUBLIC HEARINGS:

VIII. COMMITTEE REPORTS:

IX. SCHEDULED AGENDA ITEMS:

A. OLD BUSINESS:

B. NEW BUSINESS:

FR21-22-09 Consider awarding bid for Construction and Paving local roads

Councilor Snyder moved to approve FR21-22-09. Councilor Murphy seconded the motion. The motion was accepted. Motion passes 7-0.

C. WORKSHOPS:

FY23 School Budget – Micah Grant



HSD Budget

FY 2022-2023



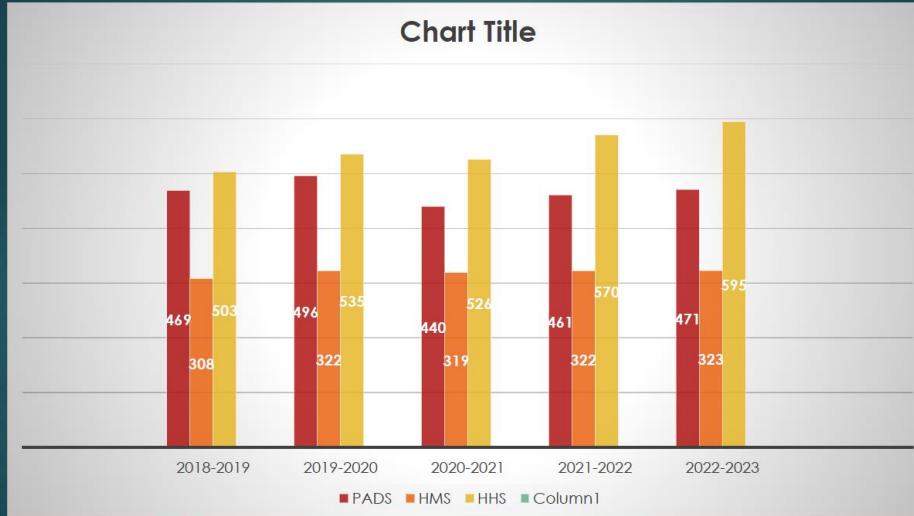
This Budget

- ▶ Adds four new staff, three at HHS.
- ▶ Allows for competitive salary and benefit packages for all staff.
- ▶ Captures all needed requests for staff (i.e. books, supplies, etc.).
- ▶ Allows for significant capital improvements at HHS, HMS, and PADS.
- ▶ Adjusts for increasing enrollment, specifically at HHS.

HSC Timeline and Workshops

Workshops	Meeting Goals	Action Steps
February 28, 2022 Workshop 1	Met with Principals, looked at initial requests, numbers of staff and student ratios, capital improvements needed, etc.	Began making cuts, research ESSER allocation, remove items that are not an immediate need (wish list items)
March 14, 2022 Workshop 2	Met with principals, looked at cuts, discussed allocation of ARP spending for staff, moved some capital improvement project funding to carry forward.	Adjust special education "anticipated out of district enrollment." Adjusted anticipated revenue for tuition students.
March 28, 2022 Workshop 3	Finalize CIPS projects, carry forward projects, and	Finalize
April 4, 2022 Board Meeting	Brief overview of budget for school board members of	Move forward in creating formal presentation to Town Council.
May 2, 2022	Present formal presentation to school board, answer clarifying questions, seek input.	Finalize final presentation to town council.

Enrollment



HSD Budget History

2019-2020	2020-2021	2021-2022	2022-2023
14,611,839	15,266,023	16,087,542	17,616,987
	+654,192 (4.3%)	+821,519 (6.2%)	+1,529,445 (9.51%)



Town of Hermon Valuation

	2020	2021	2022
Valuation	565,650,000	591,650,000	632,300,000
Increase	+30,500,000	+26,000,000	+40,650,000
3 Year Average	536,683,000	564,150,000	596,533,000
3 Year Avg. Increase	+24,583,000	+27,476,000	+32,383,000

HSD Increase Detail

Budget Increase	Increases Itemized	Running Total
Total	1,529,445	17,616,987 (9.31%)
HHS Boiler	-98,000	17,518,987
HHS Auditorium Roof	-176,700*	17,342,287
PADS Well	-40,000*	17,302,287
HMS Fuel Tank	-290,000	17,012,287
MS Boiler Repair	-30,000	16,982,287
Total	-634,700	
		16,982,287 (5.43%)

*These expenses will be funded by Hermon School reserve accounts.



HSD Increase Detail Cont.

Budget	Increases Itemized	Itemized Totalled	Budget Total
Total	924,745		16,982,287
3 HHS Staff (82,931)	-248,793	675,952	16,733,494
1 IT Professional or Contracted Services*	-90,050	585,902	16,643,444
Wage Increases (All Three CBA).	-429,000	126,902	16,214,444
Total	767,843	126,902	16,087,542

*Pending the assessment of our technology upgrades and audits.

History of Local Contribution & Request of Hermon Tax Payers

Revenues	2020-2021	2021-2022	2022-2023
Local Food Services	50,000	65,000	50,000
Local for Operations & Programs	4,188,978	4,239,798	4,005,465
Local For Debt Service	610,419	601,060	591,523
Additional Local	654,260	747,798	1,633,582
Totals	5,503,657	5,653,657	6,280,570
Increase	+333,109	+150,000	+626,913



Undesignated Funds- 3 year plan to move under 9%.

Undesignated Fund Balance 2022-2024	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
2,798,455 (FY '22)	-38,706 Reserve -170,000 Food Debt		
2,589,749 (FY '23)		-841,715 Balance Forward to offset local additional appropriation	
1,748,034 (FY '24)			-770,000 + Balance Forward to offset local additional appropriation
978,034(6.41%)			

Micah Grant: What I'd like to do is walk you through the preliminary and projected budget for the Hermon School Department for the 2022 to 2023 school year. What you have in front of you, a couple of different items, you have a PowerPoint presentation for the overall budget and what some of the expenses are, where some of the money's going, where it's coming from, the history, and what that would cost the local taxpayer here in Hermon. In addition to that, you have a couple of handouts, you have our expenses and revenues line items. And it gives you the 2023 school year, the change from the 2022 school year, also the 2021 and the 2020 actual so you can kind of track that as it moves through the different years there. In addition to that handout, you have your reserve accounts in the town of Hermon, I will be referencing one of those reserve accounts. And then lastly, your last handout is just a mockup that we had done based upon some early preliminary figures of what mill rate or what the cost could be to the taxpayer based upon the mill rate and some of our numbers, so I'll reference that at the very end. So, if you would be flipping your packets to page one. What I like to do when we start talking about a budget is just basically go through some of the highlights. This budget does a couple of significant things. What it does is it adds four new staff with three at Hermon High School. This budget allows for competitive salary and benefit package increases to our three collective bargaining units, we have a Teacher's Association, we have an Educational Technician Association, and we have a Support Staff Association. They would allow for benefits, wages increase, etc. for those three units, it captures all the needed requests for staff. That would be anything from books to general classroom supplies, some technology for that would go into a classroom for teachers, etc. And it does provide and allow for significant



capital improvement projects, as identified by the school transportation facilities director, Mr. Davis. One of the things that this budget does is it differently flexes on what's happening in our high school and in our high school enrollment. And that's why you're going to see the new staff specifically at the high school and what's happening with our enrollment, you go to the third page. What I like to highlight here is, there is a process to this. And I'm not saying that you gentlemen doubt that there's a process but what we like to do as a school committee is we like to conduct a variety of workshops when we're doing these budgets, because we don't want people, whether it's the taxpayer, a town member, or the committee, you or anybody else to say that this wasn't done right. This wasn't done in a closet, this wasn't done in the dark. What this process does is, it shows you the steps that we went through to create the budget. On February 28, for example, we got together and had our first workshop. What I tried to do was just give you an idea of what the goals were in the workshops, and then the action steps that take place after the workshop. For example, at workshop, one, principals and directors come together with the school committee, and we talk about everything that we truly feel we want. Some of it is some of it is harder to justify. But a lot of times what we do is we get together because I, for example, as a middle school principal at that time, I focus on my building. And I really believe that we need this, based upon my enrollment, based upon my ratios, based on what I want to offer for classes next year, based upon the social and emotional health of our kids. We want our guidance, you know, whatever it might be, and in those meetings that we can start to put together the bigger picture. What we do is, after those initial requests are made, we begin to do a little more research, we begin to make some cuts, because obviously that wish list, if you will, is probably more than what is going to be reasonable for you know, again, in respect to increases. And next year, we also have some federal money that's still at our disposal, we're in our last year of our funding. And so, we try to figure out what things get moved to that what things need to be cut, and what items need to be reduced. We come back together two weeks later, March 14 with school board members, principals and we start to look at those cuts, we start to adjust, we really start to peg down what the budget is going to look like. Jamie Rennebu, who's behind us, our finance manager, she's done a great job at kind of walking the committee through the process, keeping us up to date of our expenses and our revenues. And then finally on March 28, we get together for the final workshop. And we've essentially finalized the projects, finalized the new staffing and the assessments, and put it all together and say this is what we're going to bring to the school committee even though the school committee is at all those workshops, but school committee when we would probably have more people there in a traditional meeting. On April 4, I brought for the most part, this budget. Again, we're always trying to tweak this budget, because it is important that it is a living breathing document, and we try to treat it that way. Certainly, wouldn't be considered static on April 4, because we're always trying to again, figure out ways to save the taxpayer money. And then on May 2, I had my formal presentation. And even from Monday night to tonight, we were able to just



trim a tiny bit more fat. And that's why I gave you a new copy today even from Monday night to tonight, we were able to get a little bit more off the budget and moved into some different funding categories. I'd just like to walk you through that. If you go to the fourth page. It's obviously a chart. And I want to direct your attention to the 2020 2021 school year. What we had in that year an anomaly, obviously COVID hit and over that summer, we had a decreased enrollment for a variety of reasons. Some of it was private school, some of it was homeschool. Some of it was just tuition students not coming in, whatever the case was. But in that fall, we had an unexpected jump at Hermon High School. You can see that our numbers on the high school and 2020-2021 going into the fall of '21, we increased by almost 55 to 56 students up to 570. And we've done another preliminary number, right now on paper we have 582 students coming into Hermon high school next year and we anticipate at least picking up another 15 to 20 over the summer. We've conservatively set our high school enrollment next year at 595. And right now, we're only 12 students away from that. And I don't think based upon our history over summertime, gaining 12 is unreasonable. I think I'm in the middle of what it will be. I wouldn't be surprised next year if I had this presentation. And I was saying we have 602 kids in high school. And we're projecting 610, 620, the year after. I should mention it's been a privilege to meet with you gentlemen, over the last four weeks coming in and just walking through some of these numbers with you. One of the questions was, can you break down the Hermon residence student versus the tuition student. I do have those numbers and will save it for later. If you want to write them down. Currently, from the town of Hermon, we have 284 for students that are high school, and remember this will be going up to 570. It's 568 right now, we're down 2 students, 131 students from Carmel, 117 students from Levant. Remember, those are tuition students, we have a tuition agreement with RSU 87. So those students automatically come to us. We have 19 students from Glenburn, we have three from other districts, and I use that term "other district" meaning that could be Orono, Eddington or other sending towns. We also have 11 students from other districts on superintendent agreements. So not only do we have the three that pay, but then we have 11 that had been accepted. And they come to our district. And they're also from, again, sending towns, two from Bangor two from Brewer, two from Hampden, one from RSU 19, which is Newport and a couple other places. That just gives you a little bit of a breakdown of our students and where they're coming from.

Chair Thomas: There is a difference between tuition students and the Hermon students, right, as far as the formula with the state? And overall, I guess, payment that the town received for the students, right?

Micah Grant: Yes. Currently our tuition is at \$8400 and change. So those students pay just under \$8,500. RSU 87 pays for 249 kids at \$8400 and Glenburn pays the same.



Chair Thomas: The average cost overall, per student Hermon right now is what? The tuition is at \$8,400. That doesn't include or essentially cover, extracurricular costs and other things like that. If you took the, I guess, the total expenses, whether it's this upcoming year or last year divided by the number of students, do you have that?

Jamie Rennebu, Business Manager at the Superintendent's office: I do not co-curriculars costs that are directly associated with the high school count 100% towards the tuition rate. And they do divide that by the total number of students at the high school. High School Direct high school costs are included 100% in the state's tuition calculation. And then your district wide costs are calculated based on the ratio of Hermon high school students, for the whole district. I think last year, it was 40.1% of the Hermon student population attended from in high school and so 40% of the district wide costs are in that calculation.

Micah Grant: I've not taken the number and looked at all the high school lines and divided it by the Hermon students there. I've not done that type of calculation to see how much Hermon students pay versus how far that \$8,400 is going. On the next page, you have your evaluation, and this one, I just like to point out, because I think sometimes, you know, to the benefit of the Committee, of the council, sometimes people see a jump in their valuations and you know, obviously, they think, well, the school is going to get more money, the town's going to get more money. And from a school standpoint, we get for your average of the valuation increases. So just because there might be, for example, one good year and it's the same with our enrollment, they take in base your enrollment based on two-year averages, not one-year averages. It's the same thing with valuations, except it's based on three. I plotted out the valuations for the town on individual years, those individual increases, but then more importantly, involve the increases on the three year average so that, you know, that kind of balances what a town might be expected to contribute, obviously, that's the way the state does their formula on valuation. So that's projected right there. On the next page, you have our budget history. And you can see our budget in 2019, 2020, 2021, etc. And then obviously, what we're planning on and what the committee voted on for 2022 to 2023: \$17,616,987. That's an increase of \$1,529,445, which is and represents a 9.5% increase from last year's budget to this year's budget. You guys have all had conversations with me about this. For those who haven't heard, obviously, \$1.5 seems high, even with the rising cost of inflation and whatnot. But what I think is important to understand is that in that \$1.5 million \$634,000, we are going to be asking for from our reserve accounts, we feel that there are five significant projects we call CIP (Capital Improvement Plan) projects that need to be done in our various campuses. And what we're going to do is of that \$17,616,987 is request \$634,000, from our reserve accounts. And that reserve account is Herm07. So that's why I printed that form for you, gentlemen. That would be obviously line seven on that second hand out, you can see there that over the years, that account has been



built up to about \$1.28 million. And we would be requesting \$634,000 from that account. I can't say to go into a revenue as we reported as a revenue to do those projects. And what I did was on that page, and even from some of the conversations we had just a few weeks ago, we are already seeing an increase in up-ticked prices where the asterisks are, we've already had an increase. If you look for example, at \$90,000 for the HHS boiler \$176,000 for the auditorium roof over the high school, two weeks ago, that was \$165,000, the elementary school well at PADS was \$20,000, that bid has now increased to \$40,000. And then we have a very significant cost coming up to us that we must do in the next two years. Considering the company is six to nine months out to schedule, we decided to schedule it next May/June; we need to bring up or bring out a fuel tank at Hermon Middle School in the parking lot. That's \$290,000, it must be done by 2024. And our plan obviously, is to get that done next spring, but obviously get the money and move in and get on their schedule to have that done in this upcoming fiscal year. And then lastly, this is new, we added, and we had we had a little issue with two cells in the middle school boiler in the last couple of days. And lo and behold, those aren't cheap either. So that's a \$30,000 reserve account expenditure that we would like to make. So again, for a total of 634,000, which brings the overall budget down to I think, what would be a little bit more reasonable increase at 5.4% \$16,982,287.

Chair Thomas: May I ask a question regarding capital improvement projects? Normally, when we have any projects like this, they're funding from the maintenance reserve account, as you mentioned, and we have articles that are approved for each of those projects. And there is basically an approval so that there's an accountability of how those funds are used. It appears that what you're requesting here is that we just allow \$634,000 to go into the general operating fund, without the normal controls that we have.

Jamie Rennebu: We do know that we need to get it on, I believe, Howard, it has the list of the CIP projects except for the changes that have been made. But we still must record them as a revenue and an expense to the Department of Education.

Micah Grant: I'm not asking those to be put into our general fund. I just need to record it as a revenue and an expense. And that's why it's broken out in your line by line. You'll see that that's broken out into your expenses under CIP projects. I'm not asking that the money we put into our general fund, I just have to report it as a revenue. I would love to not show it and just show you the \$16,9 versus the \$17,616. But no, I'm not asking that the money be put into the general fund. And we will start to go through the same process. One of the things that we will be doing is, for example, on the auditorium, and the boiler will be funding those initially, those will be coming out of high school lines. And so that's going to help us increase our tuition rate, which is one of our primary goals for next year. We lost \$700 per student at the high school due to some federal funding that came in and we didn't spend all our high school lines last year. We lost 700 dollars a student and



obviously on 248 to 260 kids, that's a very significant decrease. And we're working on driving that number back up. So then, I took the total \$16,982,000. And I broke down where most of these new costs, if you will, are coming from that we again, feel is critical, because my responsibility is to try to bring forward a budget that obviously, again, is responsible, but it meets the needs of our students. And we really feel like based upon the growing enrollment at the high school in particular, our freshmen and sophomore classes are in the 145 to 160 range, we really feel that new staff are necessary and needed at the high school. We have budgeted and planned for three HHS new staff members, we put a placeholder in of \$82,931 for those staff, that gives you a total of \$248,000. We are working on a technology plan and some assessments, some audit, some upgrades, etc, over the summer. We're looking at either one IT professional or some type of contracted service, where we obviously can bid out that help and get some of that work done. And then \$429,000, I mentioned the wages and benefits increase for our three CVA units. And so, \$429,000 spread across those three units for again, those increases. So that brings your grand total to about \$767,843. And that leaves you with about \$126,000 and increases in respect to just general inflation, price of things, etc. And when you take all that, you add it up, that brings you back to your budget last year \$16,087,542. What does it really mean? Go to the second to last page. One of the things that's been nice, with some of the federal government and the monies that's been coming in has been a tremendous boom to our food program. And this is the first year and probably ever, Mr. Walsh, you've been here longer than anybody.

Brian Walsh, Principal Hermon High School: When Mrs. Byers and Kay Gilks were here we could sell whatever we want. And we can't do that anymore.

Micah Grant: No. So that the reimbursement rate right now for our meals and every student getting to eat for free. We're probably and slightly in the black this year, our food program, which hasn't happened in many years. And we were able to, essentially only budgeted and asked for 50,000 in our food program. And that number has climbed every single year. Obviously, the expectation for the town is to contribute \$4,005,465. That releases the \$7 million from the state that's based on the mill rate expectation of 7.1 local debt, that's your bond, that's your \$591,523 over at the elementary school, the new wing, and then the additional local. Obviously, that's where most of those increases are coming from staffing standpoint, and that is a total of \$1,633,582. And what that means to the taxpayer is that and they remember this is before valuations, I don't know what the valuation is going to be. I mean, I spit balled it with you gentlemen, in my office. You know, I'd love to say \$250,125, I don't know what the valuation is going to be, I have a rough idea. But we're asking the town before valuation for \$626,913. And so that for some of you, that's \$3000 less than what I asked and told the school board on Monday night. The last slide, gentlemen is the undesignated funds and I know that in the past Hermon has been known to underestimate its revenues and overestimate its expenses and has had healthy balance forwards. I want you to know that based



upon the numbers that Jamie and I are running, we're looking at spending to zero this year. Our plan is to not bring any money forward, I don't think we will, based upon some of the most recent projections, I think we're going to have more expenses than we are revenues for the first time, probably in a significant amount of time. And so, what our goal is then is obviously, we've got \$2,798,000 sitting in undesignated funds. You can see from your sheet, page one sheet, what we plan on doing next year line 15, and balance board, we're planning on bringing \$841,000 in from our undesignated funds to help pay for this budget. We didn't want to ask the town for \$1.4 million. We're trying to offset that number but do it in a responsible way. And our three-year plan is this year is to pay off our reserve account or stabilize our reserve accounts, pay off the remaining food debt of \$170,000. Next year, starting in July, bring forward or bring out \$841,715 to help fund the budget as a revenue. And then the year after I plan on using another \$770,000, maybe a little bit more, again, to help offset the local additional that would be again, put on the taxpayer. And that plan gets us underneath that 6% We have a three-year plan, obviously this year, next year in the year after. And it gets us in a good place to the state, we must be under 9%, based upon last year's ending undesignated fund. And that's obviously a conversation that I've had with several of you. We have a plan and if things go the way that I anticipate them, I plan on spending to zero. And using any bit of leftovers to help fund capital improvement projects. That's one of my goals for my three-year plan of run that by the school committee, I just think it's responsible to you know, again, build a budget that balances at the end, it doesn't have, you know, hundreds of thousands of dollars left over and again puts a pressure on the taxpayer on the money that wasn't needed. So that sort of playing for undesignated funds for the next 2 1/2 years, counting this year. I believe revenues and expenses. What we did with the mill rate, projection, and I really appreciate Michael Chamings here ran a number of \$700,000 for us. And that was again before evaluation. And you can see what it does to the mill rate. And obviously, when you're at 11.9 as a town. What do you see when you see 13.09? Going up 1.1 mill rate. One of our goals was again, was to really try to get the budget down. And so obviously, we're looking at \$626. Hopefully the valuation comes in at a number, and again now I don't even want to speculate. I don't know if you want to speculate on what that number is. But our hope is to ask you folks for roughly \$400,000 to \$425,000 after valuation. And I will let those guys determine what the what the mill rate would be. But there is no doubt it will be a small increase in the mill rate based upon what we have currently projected.

Howard Kroll, Town Manager: I always factor in zero valuation, that way I can't lose either way.

Micah Grant: Thank you Howard, that helps me out a lot.



Chair Thomas: As you know, we're seeing record inflation right now. People are struggling to pay for their fuel, home heating oil. And quite honestly, I am concerned about the mill rate going up that is, you know, you talk about our mill rate right now being at 11.99. Yeah, that's pretty good. We've gotten used to it. People are kind of depending on their taxes staying reasonable. We do have a number of fixed income residents in town. And you know, this increase that you're looking can add is going to increase their property taxes. I think on average for Hermon residents by around \$300 a year.

Micah Grant: What mill rate is that based on Steve?

Chair Thomas: \$13. And so that's real money for several residents. And with, just a few other things that I want to share, you did hit on the undesignated surplus. And we have talked about that in the past. Governor Janet Mills approved legislation in 2021. Just read one paragraph of that...notwithstanding any other law of general operating fund balances at the end of the school administrative units' fiscal year must be carried forward to meet the unit's needs in the next year, or over a period not to exceed three years. Unallocated balances more than 5% of the previous fiscal year's school budget must be used to reduce the state and local share of the total allocation for the purposes of computing state subsidy. And then there was another clause in there for the years ending up to 2025. The committee's increased to 9%, as you mentioned, so just a few numbers, and you did touch upon this briefly. But the way that the school has budgeted over the past few years, it really has created a significant operating surplus. For instance, in 2019, the budget was \$13.8 million. The actual operating results were \$12,957,000. So that was a surplus of \$914,000. In 2020, the budget was \$14.5 million, and the actual operating results came in at \$14.2 million, which sounds like it's closer, but there was one figure in there for \$475,000. That was expense that should have been pulled out of the maintenance reserve account. Had that been done correctly, the surplus would have been around \$800,000 for 2020. And then 2021, the budget was \$15.2 million and the actual operating costs for the year were \$13.6 with a difference of \$1.6 million. That's significant. And then you did mention that the undesignated surplus was around \$2.6 million. That is the surplus cash at the end of the last fiscal year. And so, when you look at the way that expenses have been funded this year, that surplus has built been growing by about \$80,000 a month. And so today that undesignated surplus stands at \$3,511,443. And so, I know that there's some play in the checking account, but because the funds have been coming in from the town, that have exceeded the planned operating expenses that figure is growing. And so today, if you take that \$3.5 million figure, and based on the legislation or the laws here, and you divide that by last year's budget, the surplus is 22%.

Micah Grant: Yes, I'm telling you, we are going to spend to zero this year, it is going to drop.

Chair Thomas: This fiscal year, the year that you're talking about starts July, right?



Jamie Rennebu: And so, there is a difference between our cash balance and our fund balance. The cash balance is how much money we physically have in our bank account. The fund balance is the net of our revenues and expenses over the course of history. The latest fund balance calculation that has happened is June 30 of 2021, which was in the financial audit. So that \$3.5 million is how much cash is in the bank. It is not what our fund balances. So right now....

Chair Thomas: Unless you spend down a lot of money, it's still going to be significant.

Jamie Rennebu: So right now, our revenues and expenses are almost neck and neck what we have taken in and what we have paid out are just about the same.

Chair Thomas: So, Howard, we talked about this. So, for the next three months, they're still going to get quite a bit of funding from the town right? So, do you anticipate that this is going to drop significantly by the end of the calendar fiscal year?

Manager Kroll: I have two months to pay the school. I do not look at the schools' expenses and revenue.

Micah Grant: So I do, and I'm telling you that we're going to spend close to zero. And if not, we might exceed that and go in and spend more than what our revenues are going to be. Because you can't just look at again, the cash on hand and say, well, you've got this much money, we still have outstanding bills, we still have four or five payrolls to go through for staff. We still have a significant amount of money that's going to be going out the door. And our cash on hand, we don't look at that as undesignated fund, we look at where our revenues are, where our expenses still are. And based on our projections standing here, May 5th, I think we will spend zero or spend slightly more than our revenues and must dip into that undesignated fund now. Even more so than the number that I tell you, gentlemen, \$38,173. I think we could dip into it this year, because we will have more expenses than we do revenues.

Councilor Murphy: The \$3.5 million, you say you're going to spend that down zero?

Micah Grant: Yes, the money on cash account.

Councilor Murphy: The end of June?

Micah Grant: We plan on having a flat budget zero revenue, zero expenses, we're going to balance out, everything we budgeted for our expenses and revenues are going to be zero, I think there's a chance, we've talked about some unexpected things that have come up, we could spend more than our revenues this year. And that, as you highlighted in 2019, 2020 & 2021, that did not happen. It wasn't even close, we had quite a bit more revenue than we had expenses. That is not the case this year.



Jamie Rennebu: But again, the cash account is not going to be zeroed out at the end. The fund balance itself will likely decrease the amount of available and undesignated fund balance will likely decrease at the end of this year.

Micah Grant: Because we'll need it.

Jamie Rennebu: The cash in the bank will not be zero, we still have to make payroll throughout the summer.

Micah Grant: But our expenses, like I said, that's \$16 million, which is our plan or budget or plan so that \$16,087,000. Those are the revenues, we anticipate. We plan on expending all of it down to zero and again, maybe even more, so we might have to go to the undesignated fund to make this budget zero out.

Councilor Richardson: Do you know what that number is to get to zero? What do you need to spend today to get to zero? Do you know how much more you must spend?

Micah Grant: I don't know.

Jamie Rennebu: The report that I think I just provided our board Monday night, which was at the end of April, we were neck and neck. When we're looking at fund balance at the end of the year, it is the actual transit has nothing to do with the budget column. It has to do with the actual column. So how much money we took in versus how much money we sent out. If we send out more money than we take in, that is when our undesignated balance decreases. So as of the report that I had provided our board, we were almost at breakeven at that point, we have sent out as much as we have taken in as of the end of April.

Chair Thomas: I have a few more questions. It was quite a controversial issue over the past year, we talked about an audit for the Hermon IT department, and the overall network that we have in town. And as you know, the school committee pushed back on that and didn't allow that audit to move ahead. And you and I have talked that appears to be some changes taking place next year. But it does appear that the school does have an employee who is still running his business through the school and using the school resources for his for-profit business. And I guess I personally have an issue with adding \$90,000 for the IT when the issues that were identified by the council and voted by Hermon residents in September, nothing was a follow up on those items. To me, it just doesn't sit right that we're being asked to throw another \$90,000 into IT when it doesn't appear anything was fixed this past year.



Micah Grant: Okay, so I'm here to talk about the budget, I can tell you that I haven't received any resistance from the school committee regarding the penetration test or audit. What did you gentlemen call it in the warrant article, I don't know the actual name of what it was termed.

Chair Thomas: An audit, so many different things that were going to be looked into. And the school committee resisted, went through their attorney, and delayed and delayed and at this point, nothing has happened.

Micah Grant: What I would say to that is that we have a plan, we are working with the same company that you folks are working with, I had a conversation with them this morning, they will be taking over Hermon network, town wireless, whatever you want to call it. We're working on a lease agreement right now, so that from an internet standpoint, the school will only be responsible for the internet that's at its campuses, and you folks who use the same company to maintain and keep the towers and things of that nature, there's going to be no free internet, if you will, given off by the school. And like I said, we have a contract of being drawn up to again hand that off, we also have significant virtual upgrades that are going to be happening over the next three months. And one of the things that I have in my desk right now, I have three quotes for penetration tests per the council's request from last year. And when those upgrades happen, and we have that work independently audited by the same company that the town uses for its internet here, we will have to conduct those penetration tests, the Committee will deem whatever company is the best for that. And we'll evaluate. And that's why I put in there \$90,000, or contracted services, because we don't necessarily know what we need and want yet, but we think we need some help. We have over 1000 devices in our buildings were part of the MLTI program, every kid in the high school has a MacBook, every kid in the middle school has either a Lenovo computer or has an iPad, and K – 4 are one to one with devices. So, we do think that we potentially need help, we just don't know if it's a person yet. And I can say I'm excited to go through these virtual upgrades, I'm excited to have that work independently audited by the same company you guys have. And then like I said, we'll move forward the penetration test, we don't have anything to hide, what I said to most of you was that there are certain things in that penetration test that that company cannot touch, they can't touch our power school system. Our power school system collects and stores data for all our students for the last 15 to 16 years, we can't mess with those GPAs, we can't have that information ransom. However, we do want to make sure that our firewalls and that our kids are secure with what's going on, you know, around them, we want to make sure that our devices have logins that are secure. And so again, we have no opposition, I don't and haven't received any opposition from the school board and doing that. They collected the quotes in March. But we want to make sure that the timing makes sense. And so why penetrates something that is not upgraded when you know, it needs to be upgraded first. And so again, go through the upgrades, have it reviewed by a company that you folks use here for



your internet, and then do the pen test in August to September and come back with an assessment and do we contract the services for it? Do we hire a person? Maybe we do nothing. And we use the \$90,000 to pay for insurance for all those MacBooks? I don't know, you know, I don't know what the what the plan is. But I think we all know that in our department, we do need help, because we are severely short staffed. Does that help answer some of your concerns?

Chair Thomas: Going back to the undesignated surplus, you know, I personally would hate to see an increase of the mill rate. Based on what you're talking about, I think, that ask whether it's \$620,000 or \$400,000. Given the historical surplus the last three years, I really think that those additional funds will be taken out of the existing surplus instead of asking the council to support a tax increase this year.

Micah Grant: What you're asking me to do is to create a cliff, because what I would be doing is I would be using an additional \$600,000 from our own undesignated fund and basically like me using our savings account, to pay for operational costs that will continue to occur and continue to happen in the future. This year, I would use \$600,000 balance that no addition to the taxpayer. Our budget would be up \$1.4 million next year. We have roughly \$1.5 million dollars in there. I do the same thing next year and then we hit a cliff in 2024 and those operational costs and that enrollment is not decreasing. It's going to continue to increase. This is a wonderful town, people want to live in this town for the mill rate, like you said, I don't disagree with that.

Chair Thomas: What you're saying that materializes regardless, we're going to see our mill rate go to 13 next year and then possibly 14 the next year. And I don't think a lot of residents want to see that.

Micah Grant: I don't think a lot of residents want to see 15 in one year. And that could happen with a cliff. I will not be moving the undesignated funds unless the committee gives me a vote that says, we will not support this budget. I appreciate what you're saying. But to not be too political, I need seven gentlemen to say we don't support this, or we do support this. But the school committee has tasked me with this budget, I think it's responsible. I don't want my taxes to go up either. But at the same time, I believe this is a responsible budget based upon what we have, where we're projecting our expenditures. And if I have to ask for a vote right now, or at least a preliminary vote, I don't mind doing that. But we need direction and unfortunately, being on the job 37 days, I don't have a lot of time. And I'm trying to, again, bring the most responsible budget that I can to you gentlemen.

Terry Hamm-Morris: You say there's going to be a cliff in three years?

Micah Grant: Ma'am, what I'm saying is that we're going to use \$841,000, this year from our own undesignated funds.



Terry Hamm-Morris: Which is \$2.7 million, Right?

Micah Grant: It would drop \$840.

Terry Hamm-Morris: How much are you allowed to have in that account?

Micah Grant: I could have less than 9% over the next three years.

Terry Hamm-Morris: Okay, so why don't you adhere to that.

Micah Grant: That's what I'm doing, we have a plan.

Terry Hamm-Morris: Otherwise, the state takes it back, right? It has to go, that money will be taken by the state, then we have our tax money taken by the state. Because we have too much money in that account, and we're going to lose it.

Micah Grant: We're not going to because we have a plan to use it in the next three years.

Haily Keezer: Can you say what that plan is?

Micah Grant: I just did Ma'am. We're going to use \$841,000. Next year, we're going to use \$170,000 to pay for lunch debt, then we're going to use \$38,000 to stabilize the tax reserve account. And we're going to do \$770,000, the year after, to stabilize the budget \$770,000.

Terry Hamm-Morris: That money has been there a long time.

Haily Keezer: In 2024 when the money's gone, what will the taxes do?

Micah Grant: I can't project what the budget inflation is going to do. I'm just saying based upon what we are asking for, we're asking for people and wage increases, that will continue to happen. When you use undesignated funds to fund operational costs, it's like using your savings account to pay for things that will always be there. And so, if we continually use our savings to cover the gap, that same cost comes back in a year, and the same cost comes back in another year. And for projecting out the same 5.5% and 6% increase over those three years, we could come back in three years and say we've used \$1.5, we use \$1.5. That's the whole thing. Now I need \$1.5. instead of saying I need \$696,000, we'll use \$800. Next year, we'll use \$700, the year after hopefully we can get our tuition rate up a couple \$100,000. And so now I don't need anything or now I only need another quarter of a mill or something like that. But if we do that now, then I think it's short sighted because we don't know what's going to happen next year. But we have a good plan, I believe this year.



Councilor Murphy: What is the tuition rate going to come from?

Micah Grant: You can essentially back your way into a tuition rate. We can see we need this tuition rate two years at three. We want to be responsible about it. I don't want to give our RSU 87 neighbors a \$1,500 increase at the same time either, right? We can say, okay, we need \$10,000 for our tuition rate over the next two hundred, three hundred, five or six bucks a year. And then we can start to systematically spend out of our high school accounts. An account ending in 300, right. So that can be books, that can be technology, that could be the field fence that we're planning on fixing. And having done around the backstop, it can be any of those accounts. And so, you increase those accounts, you increase your number of teachers, then that will drive up your tuition rate.

Terry Hamm-Morris: Don't you have accounts that are supposed to take care of, you know, fences and things like that, and those shouldn't that money come out there instead of coming out of the undesignated funds that you've been kind of slush fund for years and haven't used? There are other maintenance programs and stuff like that, that you should take that stuff out, or have it put into to fund those accounts.

Micah Grant: I don't understand, ma'am, I'm sorry, but I don't understand what you mean by other accounts.

Terry Hamm-Morris: Don't you have maintenance accounts for your furnaces and all that stuff coming out of your maintenance accounts. And those things and your expenses and your other things. Why would that be in a non-designated account? And why would so much money be in that non-designated account? Obviously, we haven't been using it.

Micah Grant: Ma'am, undesignated funds and the reserve accounts. Yeah, you're right like that from a standpoint of taking this from a reserve versus take it from an undesignated, but we can certainly use it for one-time capital improvement projects like that is very true. But again, we're trying to put a plan in place that will balance the budget based on these operational costs.

Terry Hamm- Morris: And that's on a regular account. I mean, you should have that planned in the budget, but you don't have very significant budget there. I mean, as far as anybody to look at and see where money is spent. Like the town budget.

Micah Grant: We have a 500-line budget.

Terry Hamm-Morris: Where is it?

Micah Grant: I apologize, I didn't bring it, it's a little thick.



Terry Hamm-Morris: We have to pay for it, why can't we see it?

Micah Grant: You can.

Chair Thomas: I think that would be very helpful going forward. You know, this is the budget that Howard does every year. And it's incredibly detailed. You know, we have every single cost center line item. And then he's got tabs for the different cost centers to show all the calculations. I think going forward, it would be very helpful if the school committee in your office provided something like that.

Micah Grant: Steve, if you ask for that a couple of weeks ago, and I'd have given it to you. I'd be more than happy to provide that in the future if the council feels more comfortable looking at the 500 lines. Absolutely.

Councilor Reynolds: Just to be clear, when I was chairman of the school board, the budget I looked at was over 900 pages, a lot more than that budget. So don't try to spin that the town's budget is more complex than the school budget, please

Chair Thomas: Okay, Tony, I'm not saying it is.

Councilor Reynolds: Well, that's what you just did.

Chair Thomas: No, I'm saying this doesn't have hardly any detail.

Councilor Reynolds: Course it doesn't. And he's invited you to get down there and go through the entire budget. I went down there, did the rest of you?

Chair Thomas: Tony. I asked for the budget. I wasn't saying that the Town's was more complex or not. I was asking for the detail. That's it.

Councilor Murphy: I know when we talked this morning, you said like 511 lines? It can't be all on paper, you must have it on a program that somebody's going to look at.

Micah Grant: Yeah, absolutely.

Councilor Murphy: And you probably could print that out?

Micah Grant: I mean, I have it in my office. I mean, I do have the cost centers, I can break down the cost centers. It's not a complex thing to print.

Councilor Murphy: I didn't think it would be.

Micah Grant: Can be very easily done. Again, the idea that, you know, I would bring 500 lines to you folks for scrutinization, frankly didn't cross my mind. I just thought



between the revenues, the expenses, the plan for the undesignated fund, and showing you where the new expenditures are and backing you down to last year's budget, which was essentially, I believe, was close to flat funded with the town valuation. I thought that that would obviously paint the picture and then obviously tried to meet with you gentlemen to not catch anyone off guard. That was my intent. I didn't think to bring obviously the whole thing.

Richard Burgess: Do you have the average pay for teachers?

Micah Grant: No, I don't have the average salary.

Jamie Rennebu: I don't have it off the top of my head. I know I can calculate it.

Micah Grant: I know when we budget for new staffing, physical wages, benefits retirement, Maine PERS, Medicare, etc. we budgeted for at \$82,000 a teacher. You know you we started about \$40,000 on our scale, the top end after 21 years is just under \$70,000. We have Anthem Blue Cross Blue Shield, which is a phenomenal insurance plan. It is expensive. A family plan costs the district about \$24,000. A single subscriber costs the district about \$9,000.

Jaylyn McCue: What formula do you use to state how much increase you'll have by more students coming here?

Micah Grant: Oh, so it's a really simple process for us at the high school. What we did was we have, we've already had signup day, if you will, enrollment days, kids have already signed up for the courses next year. I take the outgoing seniors, I then take the incoming freshmen that we have registered right now. I think I told you it was 582 or 583, then Mr. Walsh usually has a pretty good idea of what our summer projections were just like, Even at the middle school, I can tell you based on the last four summers, we had this many, we're averaging between 12 and 15 kids that summer at the high school. I took our 582 and did it conservatively. I think I ended up 11 or 13, to 595. So that's most of, that's concrete with an average of again, trying to guesstimate the last 10 to 15. Many of them are already signed up. We've had our step-up day. And we've had our, drop dead date to sign up for if you want to be a Hermon student, but we certainly we wouldn't turn a child away from Glenburn or somebody moved into Carmel, you know, there's just even seen that this year, people are buying up homes in this area quickly. And we try not to project too much into our tuition, or we try to factor our tuition on just the number of kids that we have signed up when we get to this budget process. And I don't try to project out tuition.

Jamie Rennebu: Another thing to consider that is that historically, with the small increases that have happened from year to year, in the process of enrollments and so forth, resources have been pulled away from the high school to fill needs in other



areas. That itself has had a negative impact on the tuition rate. But when you are looking at dividing your expenses, over 522 students for the last school year, and now having a small increase in expenses in the lines that affect that tuition rate, and now you're jacking the number of students out to 570 students, that has a negative impact on our tuition rate. So that means that those sending districts are not helping to the extent that they could be to educate their students that come to Hermon High School. If we don't be proactive and try to build those expenses back up to where they need to be out to high school, it is going to fall back more on Hermon taxpayers, to educate those students. We really need to look at where our tuition rate needs to be. And the only way for us to change that tuition rate with an increasing student population is to increase the expenditures at our high school. So given that we've already got an elementary school that's quite full. The middle school is not too very far behind. And we've added 40 additional kids that are now having those expenses be divided amongst.

Micah Grant: Just so you know, the state of Maine says that Hermon school should have 82.99 teachers on the last ED279, we have 82.22. We are not over. If the state says that your ratio, you know what the State usually does with ratios.... They say we should only have 1.6 nurses 800 to 1. We have been operating at very healthy staffing numbers and so again, even adding those three teachers with our increased enrollment, I think we'll stay right on the state or expectation of staff. So just, if you were wondering like, what is the state say about our staffing? We're a tiny bit under and with our increasing enrollment we think 3 is responsible.

Terry Hamm-Morris: Can I ask you a question about something you said earlier. You previously mentioned something about you lost \$700 per student somehow. Could you explain that? I didn't understand that.

Micah Grant: Yeah, so basically, due to the increasing of roughly 50 students at the high school, and then not increasing staffing and not spending all our high school lines, as Mr. Thomas alluded to having a pretty significant carry forward. And then moving that money to undesignated funds, we have so much federal money in the last year that not all the money in the general budget got spent. And when that happens, the state says, oh, you know, you don't need that in your enrollments increasing. And what happened was when you're a student in Carmel, Levant or Glenburn, when you come to Hermon, your town pays that. And our rate went from roughly \$9,200, down to about at just under \$8,500, times 270 kids, Tuition we lost, I think it was something like \$300,000 in tuition revenue this year. Our goal is to bring that number back to a respectable amount when we have neighboring districts around us that are getting \$9,800 and Bangor getting \$10,200 to attend.

Terry Hamm-Morris: So, \$700.00 dollars per student was lost?

Micah Grant: Off tuition.



Terry Hamm -Morris: Because we had too much money?

Micha Grant: We didn't spend it out in high school line. It's staff, enrollment and books.

Terry Hamm-Morris: So why would you not spend out of the.....

Micah Grant: Because the federal money that came in from COVID, we took so much money from the federal government. And we funded many things at the high school level and didn't use the general fund. And like Mr. Thomas said that what happened was, we ended last year with a pretty healthy surplus, and so that you moved into undesignated, but we didn't spend that money out of high school lines, then that the government's use it like tuition can go down, they take it back. And so our goal is to spend the money like we are this year spending zero. And then even with our reserve accounts, that boiler is going to come out of high school line, that roof is going to come out of high school line. And that is going to help bring our tuition rate back up as adding three high school teachers will help bring our tuition rate back up. We have plan for undesignated funds. But we also need to start creating revenue for ourselves as well, not just continuing to, you know, rely on a mill rate to increase our revenue, we need to do with our tuition rate, because we have a lot of tuition students, so half our population.

Jamie Rennebu: I think it's important to note that the federal funds that we receive, do not count towards our tuition rate, they are not included. Well, the state is the one that sets that rate based on the reports that we upload to them. And anything that is a federal fund is not an allowable countable expense towards the calculation of the tuition rate. And those funds have an expiration date on them. If we didn't spend the federal funds, then we would have we would have lost access to that money altogether.

Terry Hamm-Morris: Which was more than what you would have collected from tuition had you spent down in your high school money?

Micah Grant: I don't know what the overall numbers were, but we got millions from the federal government. Town got like 20 grand, we got millions. We bought a security system, MacBooks for all the high school students. You try to not use it on people because in two years, it's gone. Right? You try to do capital improvement, whatever, it was paving at the high school. But again, it did hurt us because it ultimately cost us on our tuition. And again, now we're trying to not face down the cliff.

Alan Dwelly: Is there a difference in the amount of money that the state contributes for tuition students, as opposed to Hermon students?



Micah Grant: No, they set the rate and then those students coming in, they just pay that tuition rate. The state sets tuition rate based upon our ratio, based upon our expenditures base divided by the number of teachers, there's a formula, we send the bill over to RSU87 once a month, and they send us a check. And that's how that relationship works.

Rick Burgess: You are talking about increasing the budget \$400 to \$600 thousand. So if we say to you, in order to get the budget passed....What in the 511 pages of the budget would be cut to make a savings?

Micah Grant: Cut teachers. That's where your money is. That's not a threat. I'm not trying to threaten anybody, but your money is in people. And we have three new people budgeted and I would go to those. I mean, I can't touch wages, and I can't touch benefits. Those are collective bargaining units, and those are set in stone. But that's what our increases are, or increases are mostly wages, three new people, one IT or contracted services, and then about \$126,000 in general inflation.

Rick Burgess: If you go back and look at the increase in budget from 2014 to 2019, which is a \$3 million increase over three budget years. And yet, you haven't spent that every year. The school has not spent the excess of three and a half million. I know some of that is offset because of the federal money. A good portion of that money would not have been spent either way. You're budgeting more than you spent on those years. There must have been things in there that could have been cut out of the budget to bring it down.

Micah Grant: What happens you underestimated your revenue, you overestimated your expenses, you had a gap, right? If you took in way more than you spent, it wasn't just your plan. We're finding our plan this year is spot on. That's what we want. We don't want to increase our undesignated, but I want to help offset some of the expenses to the Hermon taxpayer. Right. However, I also don't want to pull too much from year one, when we're talking about funding operational costs, like people. That's my primary concern. And I feel and the committee feels that \$626,000 is reasonable request.

Chair Thomas: Micah, thank you for coming in presenting, I guess I would ask him, if you would mind just meeting with Howard before we take a final vote on this to see if there's anything else that can be worked out so that we don't have to see such a tax increase, a significant tax increase next year. So, you know, you floated for 700,000, if there's any way that you can get that in the lower would be appreciated.

Micah Grant: So again, this is the money I've worked on it. I've chipped away at it. This is the budget we're bringing forward for a vote. Can I get a prelim vote?



Howard Kroll: Obviously a public hearing on the 26th. So tonight, basically is your first offering to the council presentation. Tonight, usually the night you'll get questions from the public as well as council. And this is usually when the council will make recommendations. They don't, council does not have authority to tell you what to cut. The only authority they have is bottom number.

Micah Grant: If someone wants to vote, give me a number. Yay or Nay and that tells me what a number is that they'd be happy with. That would be great. But like I said, our plan is to bring \$17,616,987 on May 26. Which obviously again, I don't know what the valuation will be, but maximum will be asking for \$626,000.

Howard Kroll: Is the council interested in any meetings in between the 26th? I know not going to be here next Thursday, however, we're at a crossroads here and neither one of you are going to come out of your foxhole, then you know, I'm just throwing that up there that, you know, 26th is basically the day that I bring forward budget resolves for the municipality, as well as the school. And honestly, I got to have those numbers secure, because if I don't, I'm going to be running across the building to modify those documents, make sure everything lines up. So not saying this is a tough position, because I think we're all adults here and can talk through this, but your window of opportunity is slowly evaporating. So, throwing it out to the Council on what you'd like to do and what you'd like to have the superintendent, do here, between now and 26th.

Micha Grant: Mr. Kroll, I have talked with my committee, and my committee has voted on that number. And so, and I fully support it, that's my recommendation. So, I'm not trying to put you in a tough spot. But that's the number that we plan on bringing forward. And so again, I appreciate what you're saying.

Rick Burgess: I think that's something that you need to consider. You probably already have considered it, but the council can vote yes or no, on your budget, whatever, the number ends up being. Then if they approve it, it goes before the towns people, and if they don't approve it you're back to ground zero. We've got to figure out some way to get it done. My feeling is this town can't afford an increase of that size. There are too many people in town that just can't afford \$300 or more year on their taxes. But it's, I think the council needs to give you direction so you can go back and go through those 511 pages and figure out where you're going to cut some money out of it. Whether you are going to take it from a reserve account? And get that number a lot closer to what Steve is saying to a breakeven budget. Or they shoot it down period. If they don't shoot it down, then you're going to have a hard sell, I think, to the citizens when it comes to town meeting. That's my opinion.

Micah Grant: Thank you, sir I respect your opinion. Like I said, our committee has worked diligently. This wasn't done in the dark, we feel that it's responsible. And again, I'm bringing it to the council. I've told them all in the individual



conversations, I don't envy their position. At the same time, we were a heavy burden in that. And I respect, again, me kind of putting them on the spot right now. This is what the committee feels is best for our students. And that's who the school committee is responsible for the students and balancing that with a reasonable budget. But I respect what you said.

Councilor Murphy: So, what we ought to be looking at is the bottom line. And what will fit with the town, in my, my feeling is, and this is just mine, I'm not speaking for any other member here. But I feel as though it's just too much for the town right now what I'd like to see, I really don't want to change your numbers, I'd like to see you take more out of the reserve for that right now. Now I understand you're talking about the above the cliff later down the road. But we have no idea what's going to happen later down the road either. I would like to see more taken out of that budget to fit your needs. Right now, you have \$3.5 million and you're probably going to get that down another million?

Micah Grant: We're going to spend all our revenue, and we're going to have the \$2,798,000 and our own undesignated fund at the end of the year.

Councilor Murphy: I'd like to see more taken out of that.

Jamie Rennebu: Just to be clear, the \$3.5 is the cash balance, that is not the undesignated fund balance. That \$3.5 will not be spent down to zero.

Micah Grant: But what won't be adding to the undesignated fund, don't we will not be adding funds, the undesignated rate will be \$2,790,000. Maybe a little less, because I think again, we're going to have more expenses than revenues.

Councilor Richardson: If you look back on prior years, years before COVID there has always been more money brought in than went out. In my opinion, that is over taxing the residents of the town. This is our chance; you have the money to take it back and give it back to the town's people verses asking them to pay more taxes. That is my take on it and I am not saying it's for everybody, that's mine.

Micah Grant: I mean, guys, I'm a big boy. You can literally preliminary vote here to vote me down, vote me now to give me a number.

Chair Thomas: I don't think we should be voting tonight. And I haven't seen the five-hundred-line budget. I personally, I would like to see that. And I don't think I'm informed enough to tell you what you should have for budget. I asked you to please consider working with Howard to see if there's anything else and you drew a firm line in the sand.



Micah Grant: You can't dictate to me to take it back and work on it. And you don't have the right to do that. The seven of you sitting here have the right to say. I want to hear from all seven.

Chair Thomas: How is that much different than asking if you can work with Howard and see if there's anything else.

Micah Grant: Because this is what we believe the committee, and myself believe this number is necessary. And if you're going to say no to that, then we would like to know because that's where you have your authority is the final line. So that's what I need. I'm not going to go back and pull some money here and pull some money there. After talking about Howard, that committee has given me a number. I think it's responsible. And we're planning on bringing this number forward. If you're going to let me know on May 26, we're going to have to scramble, and you're still going to have to give me a number on May 26. But I want to hear from seven of you, not just one and I appreciate it. Thank you for letting me know Mr. Murphy. Thank you. I appreciate you let me know where you stand. I'm chalking it up mentally as no.

Councilor Snyder: I have not made up my mind yet. I'd like to talk to Howard and tax assessor and because I don't think I should be going by your number on what our valuation is, or what money is coming into the town, or how will we sit, because I don't know how that is. I got to find out what the growth was last year and something a little closer. You know that which might help. I don't have enough information yet.

Councilor Reynolds: My thought is the school board is elected by the town. And they brought this number to us. And we'd have to be pretty naive not to know that it was going to go up. When's the last time you bought anything in the last six months to a year that hasn't gone up? And then the second thing is, I've stood here numerous years and said, town school system is grossly underfunded with their reserve accounts. And we just push it down the road every year, and we don't increase the reserve accounts. Last year, we kept money. If it wasn't for the extra COVID money that we've had in the last year and a half to two years, we'd be in tremendous trouble. Yeah. You'd be looking at a raise to the town that would choke them to death. For me, I will support the school committee.

Chair Thomas: I guess at this point; we're going to hold off. This is a workshop event. And we aren't supposed to be voting on action items. So, I guess we'll pick it up on May 26.



D. OTHER ITEMS: (from Table Package)

X. APPOINTMENTS:

XI. MANAGER STATUS REPORT:

Manager Kroll thanked Micah Grant for his presentation of the school budget while being on the job for just 37 days. He also congratulated Mr. Grant on becoming the Superintendent for Hermon.

Congratulations to an employee Rylee Cushman for graduating tomorrow with his master's degree in Global Policy and B.S. Financial Economics. He is going to do great things in life and wanted to congratulate him on this milestone.

Happy Birthday to Wendy Wiles-Scott.

Finally, I want to wish all mothers a Happy Mother's Day.

Next Council Meeting is May 26th where we will have public hearings for the budget. I will put together the budget resolves for this meeting.

XII. FINAL PUBLIC ITEMS OR COMMENT: (*Items Not Already on Agenda*)

Haily Keezer 208 Orchard Drive: Thank you for allowing time to hear from the community. I have been attending School Board meetings regularly, as well as working hard to communicate effectively with all three schools. I would like to provide some light to the personal experience of how this relates to the budget. First, I have requested in writing as well as presented publicly for the school to provide transparency to the school committee meetings by recording them, so busy families have the opportunity to hear them and what's taking place at the school at their convenience, much like the town provides. I have even proposed how they can record the meetings at no additional cost to the taxpayer. I will add, the only response that I have received was, quote, "the school committee didn't provide a zoom stream in the past and they are unsure if they will continue to provide this option after July". And that reply is the exact opposite of what I'm asking. We as taxpayers, help fund the school and we should be allowed to know what's going on. Not allowing the taxpayers to hear what's going on should be concerning to you into the community. We live in a digital age. This request is not complicated. I should also note that Hermon town charter states at the school committee meetings, either be recorded or be verbatim. They're avoidance of transparency is taxpayer funded noncompliance. Secondly, I have read countless school policies and Maine law rhetorically speaking, should our children's education be off limits to parental involvement? Should tax paying parents' efforts to know what's going on be denied? Should a parent have to seek legality to get basic information from the school? And lastly, to this point, should the taxpayers be funding



large legal bills to the school to prevent parents from knowing what's going on? Because that's what's happening. I encouraged the town to request to see the legal bills for the last 12 months before approving this budget. Next, there's often debate over whether a parent should have a say in their child's education. However, as the town council, it's important for you to know how the tax funds are being used. I have a copy of one class booklets that they plan to pick from. I have a document from the school that states "In planning the curriculum for next year, our hope is to select one of these textbooks and through the department budget order enough copies for the whole class. We hope that this project will help educate those who may, out of ignorance, create hostile environments." This educator assumes that we are not educating our children at home about life and moral issues like being kind and accepting. For the record, we are, so they can remove that book purchase from their budget. It is not the job of any teacher to force sexual content to minor children and I for one do not want my tax dollars to be spent reaching that objective. I realized that there are other ways they can obtain these books unfortunately. I will say this, no, teachers should not be able to use their budget to sexual reading material for minor children. All parents should start seeking the truth about what's happening and available to their children. When the school is over budget, they need to ask the taxpayers to pay more, raising our mill rate to cover the shortfall. I want to encourage the community and this council to reconsider how this money is being allocated. Lift the rug to see the details that are hidden. Specifics matter. Transparency must be mandatory. Otherwise vote no. In 2019 Hermon test scores, English 42% below the state expectations, science 47% below state expectations and math 65% below the state expectation. Mind you this is pre COVID. Until they provide curriculum specifics on what they are buying and how they plan to better educate our children for the future, this budget should not be passed without a plan to provide accurate open communication and transparency with parents and taxpayers. I am not opposed to spending. It is how the money is used for. I am advocating that budget be focused on supporting teachers in the classroom and fund core education that our children desperately need. We are a beautiful community, we have fabulous educators with the ability to provide core fundamental education that is renowned. Our children are the future nation. They are worth the time it's going to take to reconsider how this budget is being spent. Let's work in unison to provide the best education and set the standard of excellence.



XIII. COUNCIL ITEMS:

Councilor Richardson: Congratulations to Micah Grant to becoming the Superintendent and look forward to working with him.

XIV. EXECUTIVE SESSION:

XV. ADJOURNMENT:

Councilor Murphy made a motion to adjourn the council meeting at 8:32 pm. Councilor Snyder seconded. With no objection the council meeting was adjourned at 8:32 pm.

Respectfully Submitted,

Kristen Cushman, Town Clerk

Explanatory note #1: All items in the CONSENT CALENDAR are considered routine and are proposed for adoption by the Town Council with one motion without DISCUSSION or deliberation. If DISCUSSION on any item is desired, any member of the Council or public may request the removal of an item for it to be placed in the regular agenda prior to the motion to approve the Consent Agenda.

Explanatory Note #2: In the interest of effect decision-making: At 10:00 p.m., the Chairman shall poll the Council and Town Manager to identify remaining items which shall be carried forward to the next Regular Meeting.

Explanatory Note #3: A Councilor who feels the need for the Council excusing his/her absence will make the request to the Town Manager or the Town Clerk prior to the meeting.