



BUDGET COMMITTEE
Town of Hollis
Seven Monument Square
Hollis, New Hampshire 03049
Ph. 465-2209 Fax 465-3701

Minutes of January 31, 2017

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Tom Gehan at 7:00 PM.

Members Present: Susan Benz, Frank Cadwell – Selectman Rep, Tom Gehan, Mike Harris, Chris Hyde, Rob Mann – School Board Rep

Others Present: Andy Corey – SAU41 Superintendent, Tom Enright – HSB, Dick Henry – HotZero LLC, Tammy Fareed – HSB, Mark LeDoux – Selectman, Laurie Miller – HSB, Kelly Seely – SAU Business Administrator

Pledge of Allegiance was recited.

Approval of minutes:

Mike H. moved to accept the minutes of 1/9/17. Chris H. seconded. Susan B. abstained. Vote was 5-0-1. Minutes were accepted.

Mike H. moved to accept the minutes of 1/10/17. Chris H. seconded. Susan B. and Frank C. abstained. Vote was 4-0-2. Minutes were accepted.

Collective Bargaining Agreement – Hollis Education Association (HEA)

Rob M. reviewed the provisions of the proposed contract:

- 2 year sanbornized agreement
- Annual increase based on a step table plus 2.5%. Top step only receives 2.5%
- Anthem Blue Cross Site of Service (ABSOS) health plan
 - Single person plan costs covered 100% both years
 - 2-person plan capped at \$1,475 in year one and \$1,575 in year two
 - Family plan capped \$1,525 in year one and \$1,625 in year two
- Former Cadillac health plan grandfathered for existing enrollees and no new enrollees allowed
- Flexible Spending Account
- Development stipends
- New hire orientation training
- Notifications of lane changes now required

Mike H. asked for the current health plan cap amounts.

Laurie M. replied that it is \$1,340 for a 2-person plan and \$1,440 for a family plan.

Rob M. reviewed the goals of the negotiation which were salary parity with comparative districts, reducing benefit costs, and retention/enhancement of management rights.

Rob M. stated that HSB attempted to modify the step table but was not successful.

Rob M. stated that HSB was not able to move all participants over to the less expensive health plan. The HSB incentivized movement to the new plan and grandfathered participants that chose not to switch plans.

Rob M. stated that HSD is paying 100% of the cost for single participant, 99% for 2-person, and 78% for family health plans. He added that 29.5% of eligible employees are electing the single participant plan, 20.5% the 2-person plan, and 50% the family plan.

Tom G. asked if ABSOS and Lumenos were high deductible plans.

Kelly S. replied that Lumenos is eligible for an HSA and ABSOS is not.

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Rob M. added that there is an average savings of \$10K if an employee moves to the higher deductible plan. Rob M. stated that HSD is covering a little over 89% of the weighted average costs of employees using benefits.

Rob M. listed the percentage of benefit costs covered by similar districts: Amherst 92%, Bow 90%, Brookline 95%, Milford 95%, Oyster River 87% and Windham 94%. He clarified that these percentages do not reflect weighted averages and are based on available contract information.

Tom G. stated that while helpful these numbers aren't comparing the same thing without knowing other districts' weighted averages.

Rob M. stated that one third of 60 eligible employees opt out and receive \$1,500 in lieu of benefits.

Rob M. provided an overview of the educational accomplishments and salaries of HSD staff compared to similar districts. The analysis prior to the new agreement showed that HSD salaries were slightly lower.

Tom G. asked if staff is moving to neighboring districts. Andy C. replied no.

Chris H. asked if the comparative districts have similar class sizes. Andy C. stated that some on the list have larger class sizes and others are similar.

Rob M. stated that 17% of teachers are at the top step. He reviewed the new salary amounts for each step.

Chris H. requested that the increase amounts between each step be added to the presentation.

Andy C. reviewed improvements to management rights which include:

- Evaluations to occur at unannounced times throughout the year
- Professional development hours tracked by new management software program
- Requirements clarified for professional development stipend and notification deadline moved to September
- Repayment balances to be taken out of final check
- Defined hourly rates for special education staff
- Two mandatory summer orientation training sessions for new hires
- Probationary period increased from 3 to 5 years per RSA
- Family leave wording changed to 'may be granted'
- Professional stipend pool retained at \$58K
- Ten ninety minute staff meetings per year outside school day. Three hours/week class preparation.
- Part time staff allowed up to \$2,000 in professional development.
- Added flexible spending account

Rob M. compared total cost per FTE in HSD, BSD, and the Coop. He added that BSD has not yet approved a contract for this year.

Rob M. stated the tentative agreement was ratified by HEA and approved by HSB. He added that it was important that BudCom support the agreement.

Chris H. requested median numbers be added to the supplemental data slides where available.

Hollis Energy Study Financials

Dick Henry of HotZero, LLC reviewed the study's recommendations discussed during the January 10, 2017 meeting. He stated that the newest proposal does not include installing air source heat pumps at HUES. Dick H. stated that the public utilities commission views each school as a separate project when considering rebates.

Mike H. asked why the air source heat pumps were removed from HUES. Dick H. replied installation cost and the low price of propane.

Chris H. asked for the useful life of phase change materials. Dick H. replied up to 35 years.

Dick H. stated that the estimate for electrical work HPS was lowered to \$300K

Dick H. reviewed capital cost and IRR estimates and how they were calculated.

Chris H. confirmed that electrical costs are not included in the total capital cost or IRR figures.

Dick H. recommended tax-exempt financing, which would make the project eligible for thermal and electrical rebates from Eversource and a solar photovoltaic (PV) field rebate from the public utilities commission (PUC).

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Dick H. stated that PUC offers a \$65K rebate per project for 100 kW solar PV panel and reviewed the application process. Concern was expressed over the tight project completion window and rebate time limits.

Dick H. stated that the panels are manufactured offsite and installation only takes a few days.

Chris H. asked when the rebate is paid. Dick H. replied that it a full rebate upon installation.

Chris H. asked for an analysis without the PV fields.

Dick H. replied that the PV fields account for 41% of total savings.

Chris H. asked if the PV fields would impede roof access if repairs are needed.

Dick H. replied that they are easily removed.

Dick H. stated that Eversource offers up to a \$50K thermal rebate for each building and anticipates reaching the cap for both buildings. He added that these funds are allocated on January 1st and are gone by June so it is important to get in the queue as soon as possible.

Dick H. stated that Eversource offers up to a \$50K electrical rebate for each building and anticipates that the cap will be reached at HPS but may not be reached at HUES.

Dick H. researched municipal lease purchase programs and stated that the distribution of funds can be staged over two years so you don't have to borrow the entire amount at once. Municipal Leasing Consultants quoted an interest rate of 2.99% for 15 years in arrears.

Mark L. recommended that Dick H. should contact the banks directly and suggested Key Bank. There was a discussion about how to move forward with financing.

There was a discussion about whether to present the project as one article or to present a separate warrant article for each school.

Chris H. asked if the school's location in the historic district would impact the project.

Andy C. replied that he did not believe the solar panels would be visible from the road and that they would work with the historic district commission to ensure the building wrap is appropriate.

Chris H. asked how the project would be phased in.

Dick H. replied that in 2017 the electrical work and PV field could be completed at HPS and new boilers, PV field and ventilation/system controls could be completed at HUES. He added that the air source heat pumps and wrapping would be completed in 2018.

Mark L. asked what the total cost of the project is not including potential rebates.

Rob M. replied \$2.8M.

Mark L. stated that he would contact several banks to inquire about at \$2.8M 10-year bond and anticipated an interest rate between 2.1% - 2.3%. He added that he didn't think it was worth pursuing a municipal lease unless a competitive interest rate could be attained.

Chris H. stated that there may not be enough time to secure bond financing.

There was a discussion regarding the conflict of holding both the HSD public bond hearing and BudCom public school district budget hearing on February 7th.

Tammy F. stated that HSD annual meeting is on March 7th.

Andy C. raised concerns that HSD would not be privy to the same low interest rates as the town.

Rob M. stated that initial quotes indicate 2.5% for 8 or 10 years and 3% for 12 years.

Tom G. reiterated his concern regarding two concurrent public hearings on February 7th.

Tammy F. replied that it was the intention of HSB to streamline the process and not cause a conflict. There was a discussion about the full meeting agendas and potential length of both meetings.

Andy C. suggested waiting to find out if HSD would be pursuing a municipal lease which would negate the need for a bond hearing. He said he would contact BudCom the following day to determine next steps and whether the HSD bond hearing should be rescheduled or cancelled.

Motion to adjourn was made by Mike H. Susan B. seconded. Meeting was adjourned at 9:02 PM.

Respectfully submitted,

Christina Winsor, Tax Collector