



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

Minutes of February 3, 2016

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Susan Benz at 6:30 PM.

Members present: Susan Benz, Frank Cadwell – Selectman Rep (left 7:15 PM), Mike Harris, Chris Hyde, Tom Jambard, David Sacks – School Board Rep, Frank Whittemore

Others present: Tammy Fareed – Hollis School Board, Cindy Matte – SAU Assistant Superintendent, Rob Mann – Hollis School Board, Laurie Miller – Hollis School Board, Kelly Seeley – SAU Business Administrator

Pledge of Allegiance was recited.

Upcoming Meetings:

Susan B. reviewed upcoming meetings: Tonight's meeting is the Hollis School District Budget Public Hearing.

February 8:	Continuation of Town Budget Public Hearing / Land Acquisition Bond Hearing
February 18:	COOP Budget Public Hearing
March 8:	Town Elections
March 12:	Town Meeting
March 17:	Hollis School District Annual Meeting
March 23:	COOP District Annual Meeting

Susan B. spent a few minutes reviewing the annual budget process, specifically as it pertains to the Hollis School District. She discussed the various economic factors and enrollment statistics which go into developing the budget guidance. She reviewed economic data, valuations, tax bills, demographics, bonded debt, etc; all factors that are taken into consideration when developing budget guidance. She stated that a 0.5% increase in the tax base was assumed when developing the guidance for FY17. She stated that the guidance budget was increased by \$129K (1.5%). Susan B. then discussed how estimates are made of the effect of the proposed budget and warrant articles on the tax rate. Susan B stated that if all of the budget warrant articles pass as proposed, the projected total tax rate could increase to \$23.62, up from \$23.02 in 2015 (a 2.6% increase).

Susan B. reviewed the conduct of the public hearing and opened the floor for public comment.

Discussion of Warrant Articles

ARTICLE 1 - To see if the school district will vote to approve the cost items included in the one-year collective bargaining agreement reached between the Hollis School Board and the Hollis Education Association for the 2016-17 school year, which calls for the following increase in professional staff salaries and fringe benefits at the current staffing levels:

Fiscal Year	Estimated Increase
2016-2017	\$98,734

and further to raise and appropriate the sum of \$98,734 for the current fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels.

Recommended by Hollis School Board

Estimated Gross Tax Impact - \$0.08/\$1,000

Rob M. added that employees at the top step will receive a 1% increase and employees eligible to move a step will advance to the next step which is a ~3.5% increase. There are no other changes to the contract language or the health/dental insurance.

Maryanne Shanley (Buttonwood Dr.) said she supported the article.

Drew Mason (Baxter Rd.) asked if health insurance rates would be increased in the future.

Rob M. stated that nothing was anticipated.

Tammy F. added that the HSD rates only increased 4.5% over last year.

Chris H. asked if the union made concessions to maintain the 3.5% increase.

Rob M. replied not in this contract cycle but they were working toward more compromise for a future multi-year sanbornized contract. There was a discussion about the negotiation process and strategies used to determine competitive compensation levels.

ARTICLE 2 - To see if the school district will vote to approve the cost items included in the two-year collective bargaining agreement reached between the Hollis School Board and the Hollis Education Support Staff Association for the 2016-17 and 2017-18 school years, which calls for the following increases in support staff salaries and benefits at the current staffing levels:

Fiscal Year	Estimated Increase	Fiscal Year	Estimated Increase
2016-2017	\$58,129	2017-2018	\$47,838

and further to raise and appropriate the sum of \$58,129 for the current fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels.

Recommended by Hollis School Board

Estimated Gross Tax Impact - \$0.05/\$1,000

Rob M. added that employees at the top step will receive a 1% increase, employees eligible to move a step will advance to the next step which is a 2.0% increase, and para-educators will receive a \$0.15/hour increase. All health plans are now in compliance with the Affordable Care Act. A new longevity benefit was instituted, compensated sick leave will no longer be accrued, and the maximum accrued number of days was reduced to 45 from 90.

Chris H. asked that the increases be presented together as a total 3.0% increase.

Maryanne Shanley (Buttonwood Dr.) supported the article and commended the inclusion of para-educators in the contract increases.

ARTICLE 3 - Shall the Hollis School District, if Article 1 and/or Article 1 be defeated, authorize the governing body to call one special meeting, at its option, to address the cost items of the defeated article(s) 1 and/or 2 only?

Not Recommended by Hollis School Board

No Tax Impact

BudCom recommended removing the article since HSB did not support it. There was a discussion about the legality of reordering, modifying and removing the articles.

Drew Mason (Baxter Rd.) read the RSA pertaining to warrant articles.

ARTICLE 4 - To see if the school district will vote to raise and appropriate the sum of \$152,900 for the purpose of establishing a full-day Kindergarten program at the Hollis Primary School beginning with the 2016-17 school year.

Recommended by Hollis School Board

Estimated Gross Tax Impact - \$0.13/\$1,000

Cindy M. discussed the benefits of a full day program, which include time for students to interact with peers and participate in imaginative play. She also said it provides educators more time to observe the students.

Mike H. stated that the most NH communities have moved to full day kindergarten.

Tammy F. added the extra time will also expose the children to instruction in art and music, which they would not otherwise receive in a half day program.

David S. said the community has been waiting for full day kindergarten and supports it.

Chris H. asked about the current students attending needs based full day kindergarten.

Tammy F. answered that the full day program would be all encompassing and that parents would have discretion regarding full day enrollment if they chose not to participate.

Shannon Laine (Broad St.) asked why there was not going to be a transitional period.

Tammy F. stated that studies show the benefits of a full day program are compelling and resources/facilities limited the ability to offer both types of programs concurrently.

ARTICLE 5 - To see if the School District will vote to raise and appropriate the sum of \$100,000 for the purpose of conducting a study of the Hollis Upper Elementary School and the Hollis Primary School to include but not be limited to project planning, engineering/architectural and other professional services, and estimation of capital cost to:

1. Replace existing oil-fired boiler systems with a modern wood-fueled central heating system
2. Install a solar electric system, and
3. Undertake various other energy efficiency improvements to cost effectively reduce the overall operating costs of these schools

The purpose of said study shall be to prepare a comprehensive and thoroughly researched construction bond proposal for consideration by the voters at the March, 2017 School District Annual Meeting. Further, to authorize the School Board to enter into such contracts as may be necessary and appropriate to fulfill the purposes of this article, with the cost of said contracts not to exceed \$100,000; and, to authorize the School Board to accept and expend on behalf of the District any federal, state or private funds that may become available for the study described herein.

Recommended by Hollis School Board

Estimated Gross Tax Impact - \$0.08/\$1,000

Rob M. reviewed the current systems and presented the benefits of investigating new energy systems for the school buildings.

Mike H. asked HSB to add language estimating the total project cost if approved.

Chris H. recommended that the costs for each portion of the project be accounted for separately.

Joseph Garruba (Winchester Dr.) stated that the study appeared to be focused on one solution and would not consider all system replacement options.

Rob M. replied that this project is recommended by the Hollis Energy Committee (HEC), which has already researched several available options.

Mr. Garruba stated concern that the funds for the study would be rolled into the project prior to the study's completion.

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Rob M. replied that the study would provide substantial details that HSB could present to the town when requesting funds for the actual project. Any unspent funds would roll into the general fund and would not be spent on other items.

Maryanne Shanley (Buttonwood Dr.) supported the article.

Mike Leavitt (Mooar Hill Rd.) stated he was a member of HEC and that the committee investigated several options. He added that while the research resulted in this recommendation, HEC wanted what was best for the community.

Drew Mason (Baxter Rd.) asked if grant money would fund the study.

Mike H. replied that the grants would fund the actual project and not the study.

Mr. Baxter stated that the article language was misleading because it includes a plan as well as a study. He requested a presentation be made at the HSD Annual Meeting.

Michelle St. John (Orchard Dr.) stated that she attended the HEC presentation and supported the article.

ARTICLE 6 - Shall the District vote to raise and appropriate the sum of \$428,886 as the Hollis School District's portion of the SAU budget of \$1,447,377 for the forthcoming fiscal year? This year's adjusted budget of \$1,436,089 with \$425,541 assigned to the school budget of this school district will be adopted if the article does not receive a majority vote of all the school district voters voting in this school administrative unit.

Recommended by Hollis School Board

Estimated Gross Tax Impact - \$0.36/\$1,000

Rob M. stated that this article cannot be amended and must be approved by all three districts to pass.

Drew Mason (Baxter Rd.) asked that all figures be written numerically in the article.

ARTICLE 7 - To see if the school district will vote to raise and appropriate up to the sum of \$8,000 to be added to the previously established Maintenance Fund for Administrative and Associated Structures at 4 Lund Lane in Hollis, Map 56, Lot 2, from rental proceeds and unexpended maintenance funds to be received from SAU 41 available for transfer on July 1 of this year.

Recommended by Hollis School Board

Estimated Gross Tax Impact - \$0.01/\$1,000

No public comment.

ARTICLE 8 - To see if the school district will vote to raise and appropriate up to the sum of \$55,000 to be added to the previously established SCHOOL BUILDINGS MAINTENANCE FUND from the Hollis School District's June 30, 2016 unanticipated revenues (unassigned fund balance), available for transfer on July 1, 2016.

Recommended by Hollis School Board

Estimated Gross Tax Impact - \$0.05/\$1,000

No public comment.

ARTICLE 9 - To see if the school district will vote to establish a contingency fund for unanticipated expenses that may arise and further to raise and appropriate a sum of \$95,000 to go into the fund. This sum to come from the unassigned fund balance available on July 1, 2016 with no amount to be raised by taxation. Any appropriation left in the fund at the end of the year will lapse to the general fund.

Recommended by Hollis School Board

Estimated Gross Tax Impact - \$0.08/\$1,000

Drew Mason (Baxter Rd.) asked for projected end of year fund balance.

Kelly S. replied it was too soon to determine.

Mr. Mason requested clarification regarding the impact to the tax rate since the language states no impact yet \$0.08 is stated.

Chris H. replied that the impact is provided for transparency since the funds were raised in past years.

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ARTICLE 10 - To see if the school district voters will authorize the Hollis School District to access future year state and federal catastrophic funds in the event that special education costs exceed budget limitations.

Recommended by Hollis School Board

No tax impact.

No public comment.

ARTICLE 11 - To see if the school district will vote to raise and appropriate a sum of \$10,487,463 for the support of schools, for the payment of salaries for the school district officials and agents and for the payment of statutory obligations of the district. This appropriation does not include appropriations voted in other warrant articles.

Recommended by Hollis School Board

Estimated Gross Tax Impact - \$8.72/\$1,000

Susan B. stated that this budget is \$66.9K under the BudCom guidance.

Increases to the proposed budget include:

1. CBA retirement payouts
2. Health insurance
3. Transportation
4. Special education salaries
5. NHRS retirement benefits

Decreases to the proposed budget include:

1. Teacher salaries
2. Curriculum coordination
3. Professional development
4. Special education resource room salaries

Drew Mason (Baxter Rd.) asked why retirement benefits increased.

Kelly S. replied that 3 more employees retired this year and are eligible for 25% of their current salary under contract.

Mr. Mason asked about NHRS rates.

Mike H. replied that the state rates increased and are outside the control of HSD.

Kelly S. added that as salaries increase so do payments to NHRS.

ARTICLE 12 - To transact any other business which may legally come before said meeting.

Public Hearing was ended at 8:39 PM.

Budget Committee Positions

Susan B. opened BudCom deliberations at 8:40 PM.

Article 1:

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by David S.

Roll call vote:

Susan B. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S. – Yea, Frank W. – Yea

Motion carried 6-0-0

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Article 2:

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by David S.

Roll call vote:

Susan B. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S. – Yea, Frank W. – Yea

Motion carried 6-0-0

Article 3:

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by David S.

Roll call vote:

Susan B. – Nea, Chris H. – Nea, Mike H. – Nea, Tom J. – Nea, David S. – Nea, Frank W. – Nea

Motion failed 0-6-0

Article 4:

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by David S.

Roll call vote:

Susan B. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S. – Yea, Frank W. – Yea

Motion carried 6-0-0

Article 5:

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by David S.

Roll call vote:

Susan B. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S. – Yea, Frank W. – Yea

Motion carried 6-0-0

Article 6:

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by David S.

Roll call vote:

Susan B. – Yea, Chris H. – Nea, Mike H. – Yea, Tom J. – Yea, David S. – Yea, Frank W. – Yea

Motion carried 5-1-0

Article 7:

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by David S.

Roll call vote:

Susan B. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S. – Yea, Frank W. – Yea

Motion carried 6-0-0

Article 8:

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by David S.

Roll call vote:

Susan B. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S. – Yea, Frank W. – Yea

Motion carried 6-0-0

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Article 9:

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by David S.

Roll call vote:

Susan B. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S. – Yea, Frank W. – Yea

Motion carried 6-0-0

Article 10:

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by David S.

Roll call vote:

Susan B. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S. – Yea, Frank W. – Yea

Motion carried 6-0-0

Article 11:

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by David S.

Roll call vote:

Susan B. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S. – Yea, Frank W. – Yea

Motion carried 6-0-0

Drew Mason (Baxter Rd.) stated that voting hours are from 7:00 AM to 7:00 PM on February 9, 2016.

Motion to adjourn was made by Mike H. Tom J. seconded. Meeting was adjourned at 8:46 PM.

Respectfully submitted,

Christina Winsor, Tax Collector