

**JOINT MEETING OF THE HOLLIS BUDGET COMMITTEE
AND THE HOLLIS SCHOOL BOARD**

JANUARY 11, 2012

MEETING MINUTES

A joint meeting of the Hollis Budget Committee and the Hollis School Board was held on Wednesday, January 11, 2012 at 6:45 p.m. at the Community Room, Hollis Town Hall.

Budget Committee Chairman Christopher Hyde presided:

Members of the Budget Committee Present: Mike Harris, Vice Chairman
Susan Benz
Thomas Jambard
Tom Gehan
Frank Whittemore
Robert Mann, Hollis School Board Representative

Members of the Budget Committee Absent: Selectman Peter Band

Members of the Hollis School Board Present: Robert Mann, Chairman
Rich Manley, Vice Chairman
Deborah Pucci, Secretary
William Beauregard
Frank Giudici

Members of the Hollis School Board Absent:

Also in Attendance: Selectman Mark LeDoux
Susan Hodgdon, SAU41 Superintendent
Eric Horton, Business Administrator
Jeanne Saunders, Director of Student Services
Elizabeth Allen, Principal, HPS
Candice Fowler, Principal, HUES
Christopher Siegfried, Director of Maintenance
Richard Raymond, Network Administrator

REVIEW OF HOLLIS SCHOOL DISTRICT FY13 PROPOSED BUDGET

AGENDA ADJUSTMENTS

Chairman Mann requested a brief discussion take place on the tentative HESSA Agreement. Also requested was a brief non-public session.

SCHOOL BOARD PRESENTATION

Budget

Chairman Hyde noted through the efforts of Messrs. Horton and Gehan to address disparities in the spreadsheet prepared by the former business administrator, guidance has been accurately populated within the FY13 budget spreadsheet.

Mr. Horton noted, at the last meeting, he was asked to populate the pivot table the Budget Committee has traditionally received. That table breaks down the components of each category (46 individual categories within the budget). Chairman Hyde stated the table represents a way of grouping categories of expenses of like nature, i.e., salaries and benefits, expenses specific to special education, etc. This type of table also assists in identifying trends over a period of time.

Ms. Benz remarked column L depicts percentage of decrease as a positive number and increases as a negative and questioned why the spreadsheet was prepared in that fashion.

Mr. Harris questioned the category of Principal Asks; New Item Requests (increased from \$0 to \$160,000). Mr. Horton explained this category has never before been included as a line item within the budget. As a means of easy identification, the items were incorporated into a separate category. It was commented they appear to be related to increase in wages. Mr. Horton responded one of the requests is tied to a new grade 6 teaching position.

When asked, Mr. Horton explained the two lines in the chart of accounts represent specific schools; HPS (1) and HUES (2).

Chairman Hyde opened the floor to questions.

The question of whether enrollment is increasing or declining was posed. Chairman Hyde stated enrollment is decreasing (from peak down 28-29%). This year's NESDEC projection is a decline of 15 students. Guidance is a reduction of 3%. He spoke of a considerable number of special education students transitioning to the COOP.

The question was posed of whether the amount of the budget associated with special education costs (approximately 20%) was consistent with years past, and was informed the percentage of the budget associated with such costs has been increasing steadily over 8-10 years.

Selectman LeDoux questioned whether the School Board was comfortable the proposed budget line of \$50,000 would be sufficient to address issues related to the water system. Mr. Horton responded the \$50,000 is intended to cover repairs to the pump house and line, but also encompasses operational costs for testing, electricity, etc. At present, the potential for two leaks within the system is known. It is believed the easier leak to address is the one located at Rocky Pond Road, due to accessibility. There is not yet a good understanding of the leak between HPS and HUES (line crosses over PSNH power lines and possible conservation land). At this point investigations are underway to determine how narrow of an area the pipe segment can be refined to.

Mr. Beauregard questioned whether the budget includes anything in the way of further reducing the burden on the water system in terms of the number of users. Mr. Horton responded it does not. When asked, Superintendent Hodgdon stated the administration has a plan for working towards that. Mr. Beauregard questioned whether the plan for reducing usage would be presented as a separate warrant article. Mr. Horton stated the administration would work towards that goal. Chairman Hyde questioned whether discussions have occurred with the parties involved and was informed they have not. It was noted if brought up at the annual meeting the option of addressing the issue would exist in FY13.

Mr. Beauregard suggested what needs to be known are what options are available. He stated Attorney Drescher could be contacted to provide input as to whether there is more than one course of action. Once identified, ballpark figures could be established for each available option.

Speaking to the guidance line item, Chairman Hyde noted spreadsheets were prepared both including and excluding special education expenses from guidance. He suggested a reason to consider excluding those costs is the situation that exists whereby a large contingent of students requiring special education services is moving on to the COOP School District.

He informed the board and the public the process of determining guidance begins by utilizing the FY12 budget baseline, adding the expendable trust fund, special revenues, and food services to come up with a number matching the MS22 Form to be submitted to the DRA for tax rate setting. Those special revenue items are then removed as well as debt service expenses to reach the recommended base budget (\$9,929,823). Budget Committee recommendation is a 3% decrease to the base budget. Once that baseline is established revenue/costs for the special revenue accounts, expendable trust, food services, etc. are added back into the budget. Mr. Beauregard clarified the amounts added back in reflect FY13 amounts. The version that includes special education costs is essentially \$79,000 under guidance at this time.

Chairman Hyde noted the expendable trust is funded through unexpended appropriations at year end, and should not be considered in budget guidance. This was done in error on the spreadsheet provided. He clarified the \$79,000 delta to guidance is actually \$67,000.

The version of the budget where special education costs were not considered when determining guidance resulted in the proposed budget being \$59,858 over guidance.

Chairman Hyde remarked the budget could be left to include special education costs, but suggested special consideration could be given to events transpiring to support an adjustment. A comment was made preparing the budget in that fashion would allow the district to spend the windfall going into the budget for future use. Chairman Hyde clarified his suggestion was for an additional adjustment be made to the budget (beyond the 3% guidance) because of the windfall. He added the COOP School District will see their staffing costs increase while the Hollis School District is not removing an equivalent sum. Costs to taxpayers will increase.

The comment was made special education costs vary from year to year, are dependent upon student needs, and should not be included in the guidance plan. He agreed with the suggestion the board revert to excluding these costs from guidance consideration.

It was suggested consideration be given to taking the SAU assessment out of guidance as well, and noted because the SAU voted in a flat budget, there is \$30,000 savings to the district, which can be spent if the budget remains under guidance.

Capital Improvements Plan

Chairman Hyde suggested the board take up the discussion of the Capital Improvements Program (CIP) as the consultant was in attendance.

Mr. Horton introduced to the board Mr. Jim DeLisle, and explained he was hired to review all SAU facilities. He has put together a report of recommendations on items the board/administration should be looking towards funding over the long-term.

Mr. DeLisle informed the board he reviewed both school facilities and the surrounding pavement. At both schools there is severe breakup of pavement in certain areas, which appear to have been patched over a period of years. He remarked over time it becomes an under pavement problem. His recommendation is to reclaim all of the pavement and address some of the grading issues. His estimate covers 100% of pavement for both schools as well as Drury Lane. Chairman Hyde commented a large portion of that road has not experienced cracking. Mr. DeLisle stated some would be overlaid. He spoke to a large drainage issue in the road area towards HUES, which needs to be addressed. After that is addressed as there would only be a small section of road remaining he determined it best to pave the entirety of the road.

When asked if cost savings could be achieved by completing the project in one phase, Mr. DeLisle responded there is always a certain percentage of savings for larger projects. Chairman Hyde remarked the Public Works Director has informed the board of costs per mile for paving, questioned the pricing utilized in determining the cost for the proposed paving project, and whether savings of scale could be achieved by bidding the project along with proposed town paving projects.

Mr. DeLisle commented the project is for pavement of a parking lot, which differs from a road. He added there will be issues related to drainage, structures, etc., that require addressing. When asked how he arrived at the projected cost, he stated he spoke with a few paving companies such as Continental Paving.

Mr. Horton noted Director Siegfried has sought an additional quote based on the total project being broken down into \$70,000 to \$100,000 segments for consideration of performing the total project in phases over a period of several years. Chairman Hyde reiterated there is the possibility of savings of scale by jumping onto the Town's paving contract.

It was noted the school board had previously provided a figure of \$150,000 for paving repairs at HPS alone and had undertaken discussions of expanding the driveway towards the street, etc. Although the tab within the budget stated the cost to be \$150,000, total project cost is actually \$450,000. Mr. Horton noted the figure of \$150,000 simply carried over from the prior year in the spreadsheet.

Mr. Beauregard remarked when the \$150,000 estimate was received several years prior, HUES was not believed to need a total replacement, therefore focus was on the parking lot at HPS. Chairman Hyde stated his belief the figure provided for paving a mile worth of road to be between \$500,000 and \$1 million, and suggested the cost estimate provided for re-pavement of parking lots and a road of much less size to be high.

Mr. Beauregard suggested an action item be to discuss the provided estimate with the Town's DPW Director prior to the public hearing.

Speaking to HUES, Mr. DeLisle stated there are areas within the building experiencing water leakage from the roof a good deal of which is due to high/low roof transitions. He provided a budget of \$7,500 to repair those areas. Replacement of

approximately 30,000 sq. ft. of EPDM roofing, which will need to be replaced within the next 5 years or so, is estimated to cost \$225,000. Mr. Beauregard noted some of that roofing has been replaced. Director Siegfried responded that has occurred at HPS only. Replacement of the seam metal roofing, which is experiencing leaks, is estimated to cost \$280,000. Director Siegfried noted a number of holes that have been repaired in the area where the skylights meet, etc. When asked, Mr. Horton stated there is insurance on the building; however, it would be at the discretion of the insurance company to make the determination whether it was as a result of failure or general maintenance, etc. He agreed the insurance company should be contacted, but noted the metal seam roofing is not an insurance liability but rather a design issue.

When asked if the roof was addressed at HPS during mold remediation, Mr. DeLisle stated drainage was put in in the back of the building. Director Siegfried added the snow removal teams removes snow from against the building after every snow.

Speaking to carpet replacement, Mr. DeLisle stated there is bubbling occurring, which could become a hazard. Estimated cost of replacement is \$17,500. With regard to sanding, relining, and refinishing the gym floor (\$27,500), he stated his experience with schools is for this procedure to be undertaken every 5 years or so. Principal Fowler noted this is not a high priority item.

Other flooring items were identified as: replace carpet in faculty room (\$3,500), replace flooring in four lower level bathrooms (\$6,000), replace failing Vinyl Composite Tile (VCT) flooring in lower level main corridor (\$4,800), and replace flooring in cafeteria (\$6,000).

Mr. DeLisle stated most of the items associated with HUES were what he would consider to be general maintenance items.

In response to a question posed, Mr. Horton stated the total sum of requests across all years included within the CIP is approximately \$1.3 million.

Chairman Hyde spoke of replacement of the boilers at HUES. He remarked a request has been made for acceleration on the replacement schedule as it is believed to have a relatively fast return on investment (ROI). Director Siegfried stated the proposal was presented late in the budget season last year. At that time, the estimated cost was \$197,000 for boiler replacement at HUES only (replace 10 with 2). Ten percent was added for controls, etc. The estimated payback was five years and a savings of \$28,000 or \$30,000 thereafter (oil).

Mr. Horton noted the Town has received funds to perform energy audits of the buildings, a process which is ongoing. The request has been made for that team to cost out a new boiler system and prepare an ROI. It is expected that report will be available within the next week or so. He commented rather than provide an analysis performed two years prior, he would like to provide the report once completed. Chairman Hyde noted that could be addressed in a warrant article. He requested the Budget Committee be provided with a copy.

Mr. Horton remarked within the Energy Efficiency Study a long-term plan will be included as well as an itemized list provided identifying items that can be addressed inexpensively and immediately, which will assist with energy savings.

A member of the Budget Committee stated a desire for a review to be conducted of the pump house. He stated the building has a 10 kilowatt heater that runs non-stop and the building could be easily insulated. Mr. Horton responded the energy group has been tasked to review that building as well. It was suggested the building could be insulated in short term at low cost. Mr. Horton stated he would look into the issue and determine what can be done in the short-term.

Chairman Hyde remarked approximately \$79,000 worth of items have been identified for expenditure from the Expendable Trust Fund for FY13. He stated his hope the energy audit would be timely and allow for inclusion of a resolution to the boiler issue.

Mr. Beauregard questioned the cost associated with the A/C system for electrical/data closet (\$8,000) and questioned whether that was performed for the 6th grade wing. Director Siegfried stated an air conditioner was placed in the ICT lab (second computer lab). Mr. Beauregard stated the intent was to cool the computer closet as well. Director Siegfried stated a proposal was submitted but never came to fruition. Mr. Beauregard stated a belief that work was to be completed as part of the mold remediation. Director Siegfried stated that was not the case and noted it was determined not to be related to the mold issue.

Chairman Hyde commented Vice-Chairman Harris raised the question of funding the necessary repairs, inclusive of the water system, through bond(s) given current financing rates. He suggested the School Board identify items that are safety and cost savings related to understand the total cost. Chairman Mann noted the life of the items considered for bonding needs to be taken into account. Mr. Beauregard questioned the threshold on a bond amount before cost effective and was told it is approximately \$1 million.

Mr. DeLisle informed the board issues related to the HPS facility are a result of the school being added onto over the years (different heating systems, etc.), are numerous, and have not been addressed in years. He stated the need for an automatic fire sprinkler system in the school, which would require additional wells on the property. He spoke to the order in which repairs are made and the need to avoid doing the work in phases, i.e., would not want to install new ceilings just to take them down later down the road to install a new heating system, etc. Mr. Horton stated the sprinkler system was not included within the CIP list as it was a \$225,000 cost and required a decision on the larger issue of is it more feasible to replace one item, add a new system or look toward a total building renovation.

A member of the Budget Committee remarked, with the whole picture in place, a decision could be made on the correct funding mechanism. Mr. Beauregard stated his belief an opinion had been provided by the Fire Chief indicating the facility was grandfathered and the sprinkler system was not required and he did not believe it to be something that needed to be done. Director Siegfried commented at the conclusion of the last renovation, the Chief did sign off on the work and state the sprinkler system was not needed.

Mr. DeLisle commented the State Fire Marshal's Office has been actively pursuing this issue within other towns and has gone as far as to threaten to shut schools down. Chairman Mann remarked there is legislation pending, which would remove that pressure as it was seen to be heavy handed.

Mr. DeLisle stated he did not go to the extreme of tearing apart walls or ceilings to review the setup, but is confident there are separations that need to be done to bring the building up to code. Chairman Mann commented the conversation being had suggested dire issues exist at HPS, which are not included in the information provided within the CIP. Mr. Horton reiterated the larger items would be considered in the renovation category as his understanding of the uses of the Expendable Trust did not cover that category. Chairman Mann remarked the CIP is for capital planning. Mr. Horton explained the spreadsheet was being used to drive requests from the expendable trust fund. He noted the board has not yet had the opportunity to have this discussion with the consultant.

Chairman Hyde stated the need for visibility and discussion of the larger items. Mr. Horton commented the first step in providing that visibility was requesting Mr. DeLisle be in attendance to have that discussion. Mr. Beauregard stated the school board had not yet reviewed the report and apologized for not having had the opportunity to filter through the information. He noted the urgency was in that the board had not seen the report, the need exists to finalize the budget in a timely manner, and the desire is to avoid an 18 month lapse in time before issues could be addressed.

Mr. Giudici questioned total cost estimate for HPS renovations. Mr. DeLisle stated if you were to take into account all of the items identified, the estimated cost would be \$2 million to \$2.5 million to renovate the school.

Chairman Hyde requested the board wrap up the discussion of the CIP and return to discussion of the budget.

Mr. Beauregard spoke to a proposal to expend in FY13 \$9,000 of the \$18,000 estimated cost to install air conditioning in the library, and questioned the need. Director Siegfried responded the large number of computers housed in the library generate a lot of heat. Mr. Beauregard stated his belief desktops were changed out for netbooks. Principal Allen stated a change was made in that plan when the need existed to dismantle the main lab for the EDK classroom. When the decision was made not to do any renovations for preschool the main lab was dismantled, the computers were moved to the library, and the cart readied for classrooms. She added that particular library has glass windows all the way down the front of the building, which generate a great deal of heat.

Chairman Hyde commented the tech center at the high school facility does not currently have and there are no plans in place for it to have air conditioning. He believes the district can get by without adding air conditioning. It was reiterated the windows are a contributor to the heat generated in the library. Mr. Beauregard questioned whether the windows could be filmed, etc. Mr. Horton stated his hope such solutions would be identified within the energy audit.

Budget

Chairman Hyde spoke to a change in SAU assessment in that it will appear as a separate warrant article and outside of the budget. It has been removed from guidance. He stated the version of the baseline budget utilized for determining

guidance, which is not inclusive of special education costs, resulted in a figure of \$76,354 additional reductions to be made to meet guidance.

**MOTION BY MEMBER HARRIS TO ADOPT THE REVISED FORMULA
MOTION SECONDED BY MEMBER BENZ**

ON THE QUESTION

It was noted the formula utilized removes costs of special education as well as the SAU assessment from the baseline budget to establish guidance, and then adds those costs back into the budget at current year estimates. Chairman Hyde added utilizing this formula reverts back to past practice and noted last year the formula included costs associated with special education and the SAU assessment. When asked if he believed the Budget Committee would still receive the same level of input for the items outside of guidance as it has in the past year, Chairman Hyde stated his belief that would be the case.

MOTION CARRIED

6/0

Chairman Hyde reiterated the differential between the proposed budget, utilizing the accepted guidance formula, and guidance is the need for a reduction of \$76,354. Mr. Beauregard questioned whether the board wished to review items contained in the 899 account. Mr. Horton noted no big changes have occurred since the last review, and spoke of the need to revise figures associated with energy costs. When asked about the contingency figure, Mr. Horton stated it to be \$95,000. Mr. Beauregard remarked the next step in the board process would be a review of the needs list (899 account).

Mr. Horton spoke of the line item for HPS computers (\$26,400) and the fact the approach has been reconfigured to allocate those funds towards the purchase of servers and use any remaining balance to purchase some number of computers. Chairman Hyde remarked the COOP School District is moving towards OpenOffice and away from Microsoft Office Suites. Mr. Raymond stated such a move is being discussed. Chairman Hyde stated some of those efforts are ongoing and in process. He remarked at the school the students will be sent to the decision has been made to go away from Microsoft Office products. Mr. Beauregard stated the report received from the consultants states: "I cannot recommend strongly enough not to do that. OpenOffice is fine for home user who only does the most basic things. I had to support OpenOffice in a corporate environment and there were problems with it all the time especially with the Excel replacement; it is notoriously slow. Since schools can buy Office2010 Professional for such a reduced rate, the amount you would save getting the free product would easily be offset by support costs whereas Microsoft Office virtually just works always. Users also know Microsoft Office so there would be less user support. Please do not just take my opinion; here is a site with some of the very best administrators say."

Chairman Hyde questioned Mr. Raymond's findings to date. Mr. Raymond stated he agrees in part with the report and noted the biggest challenge he has found with Microsoft Office is that there are different versions installed on machines across the entire district. They constantly have to add patches to address different file formats. To bring the approximate 1,000 machines, across the district, to the current version would be at an approximate cost of \$52,000.

Chairman Hyde reiterated when the students move up to the COOP School District they will transition off of Microsoft Office to OpenOffice. Mr. Beauregard noted the COOP budget speaks to licenses to upgrade Microsoft Office. It was stated all systems should have the same image. Mr. Beauregard stated he has not heard discussion of and would not support the COOP moving to OpenOffice. Mr. Raymond remarked he believes the conversation is what are the needs for word processing, spreadsheets, etc., which really comes down to how the teachers in the classrooms feel about it. He stated OpenOffice is installed on all machines as they have found if a system has the older version of Microsoft Office OpenOffice can open those files.

Chairman Hyde noted he simply raised the issue as a concern and a desire for systems to be mirrored across the district. Speaking again to the items contained within the 899 account, Mr. Horton touched upon the \$70,000 identified for an additional section of grade 6. Principal Fowler stated discussions are underway with the school board around existing classroom sections and the need for moving 103-105 students from grade 5 with 5 teachers to grade 6 next year with four teachers and the need to add another section of 6th grade. A placeholder has been put in to encompass salary, benefits, etc. Along with that the need exists to outfit a classroom with equipment (\$5,000).

Principal Fowler stated also included in the 899 account section are items that were not included in last year's budget; replacement computers and upgrading of the telephone system. She remarked the telephone upgrade would assist in moving towards improving the current system; would provide voicemail, the ability to call in from a remote location to change messaging, etc. (\$6,000)

Mr. Harris stated his belief it is not necessary to increase staffing size and suggested existing teachers could be moved around to accommodate the large 6th grade class (perhaps fewer in 2nd grade). Mr. Harris questioned and was informed the local provider for the telephone system is TDS. He suggested they be contacted and perhaps Troy Brown, Town Administrator, as the Town is going through a process of upgrading their phone system (rerouting of lines, etc.), which will result in a savings. Mr. Horton stated he would speak with Mr. Brown.

Speaking to enrollment figures (NESDEC project and current actual) Principal Fowler stated over the course of the last decade the district has seen a variance of approximately 10 students. She noted her projected enrollment figures for next to be 94 in fourth grade, 98 in fifth grade, and 105 in sixth grade. She is requesting 5 sections for fourth grade. Shifting a 4th grade teacher to 6th grade and moving to 4 sections in fourth grade would result in two classes of 23 and two classes of 24 to begin the school year. If she were to reduce the number of sections for fifth grade class size would result in too many classes having over 24 and 25 students per section. Having only 4 sections in sixth grade would result in class sizes of 26 or 27 per classroom. She touched again on the uncertainty of the number of students that could move into the district over the summer months as well as the uncertainty of which grade they would fall into.

She added the School Board has not yet had the opportunity to discuss class size for the coming year. She commented the transition from third to fourth grade is difficult and results in assessment scores decreasing. The question that needs to be addressed is does the district wish to start with that grade being the biggest classroom when it is understood that is where the most need and the most transition issues occur.

Mr. Beauregard reiterated the School Board has not yet had the opportunity to discuss this. He added the board received information in non-public session, which could be shared with the Budget Committee in non-public session. He stated the board's support of the administration's recommendations for second grade.

Mr. Harris questioned whether there is a consensus for the 1st, 2nd, and 3rd grades. Chairman Hyde remarked in the 2nd grade, class size is recommended to be below educational specification; however, the board has been made aware there are unique situations that exist within that grade, which require a smaller class size.

Chairman Hyde touched upon the shift of special education costs from one district to another, and questioned whether there are savings to be gained. Mr. Beauregard noted Director Saunders has reported a reduction in special education costs of \$144,000. Director Saunders stated there are currently 60 identified students in the Hollis School District and 54 students projected for next year.

Ms. Pucci stated in 2003/2004 there were approximately 200 additional students over current enrollment. She commented the district is not looking at the level of administrators, nurses, etc. as an area of reduction. In 2003/2004 with 200 additional students, there were 3 administrators versus the current 4 and 1 nurse where there is now 2. She stated this year Professional Learning Communities (PLCs) have been embraced; coaching, collaborating, etc. She believes there to be a duplication of effort in math and literacy coaches. She stated her belief if the board were to look further away from the classroom there are opportunities that are not being discussed. Mr. Harris remarked the point made is a good one.

Ms. Pucci stated with a huge reduction in population comes an opportunity to look at efficiencies and how we can improve the situation. Mr. Harris remarked the addition of a teacher to the budget with a reduction in enrollment is something to talk about and stated his belief it is not warranted. Ms. Pucci reiterated her point the desired budget figure could be reached by looking at a higher level.

Mr. Beauregard stated when the district went from 3 to 4 administrators the additional administrator was specifically a special education coordinator position, which was split between the two schools and addressed problems raised by parents. Principal Fowler remarked with the position of Special Education Coordinator/Assistant Principal being split between the schools there remains 3 administrators and 1 Special Education Coordinator just as was the case in 2003. That model was not productive and resulted in due-process cases because the Special Education Coordinator was not in the right place at the right time. The role was combined to be a split position.

With regard to nursing staff, Mr. Beauregard stated the additional nursing position was a requirement for the certification of the Preschool Program. When asked if the requirement continues to exist, Director Saunders stated she would look into that. Mr. Harris remarked if it is not, the point made by Ms. Pucci around a possible reduction is valid.

Ms. Pucci reiterated duplication exists between PLC and math and literacy coaches. She stated a determination needs to be made as to whether the district will engage its experienced teachers to take on the role of coaching and initiate the PLCs or duplicate efforts between coaches and PLCs. Chairman Hyde suggested the School Board determine the model

on how to address the issue. Principal Allen commented there may be some confusion as the professional coaches are intended to support teachers in the classroom. She noted there are several new teachers at HPS that require coaching and added research indicates the best way to obtain growth and improve teaching staff is direct coaching. PLCs are a model of the teachers working together; they are not coaching each other, they are collaborating and sharing.

Principal Allen spoke of the range of professionals and years of experience in the district and remarked the district is experiencing more retirements and new hires, which is where the need arises for coaching. Mr. Harris noted he was not discounting the value, but simply concerned with a cost of nearly \$16,000 to educate a 1st grade student or a 4th grade student, which he believes not to be a sustainable number in the current economic environment.

Mr. Beauregard remarked at one time HPS operated with 1.5 nursing positions, which generated feedback around the difficulties of doing that; nurse does teaching as well and was not always available to tend to students, etc.

Mr. Harris remarked the last time enrollment numbers were this low, there were less administrators. As the system grew another school was added, additional administrators were added, etc. With enrollment numbers reducing again the district is not returning to prior administrative staffing levels.

PUBLIC INPUT

Michael Askenaizer, 57 Irene Drive, Hollis

Stated his appreciation of the boards' efforts to attempt to decrease the budget from the prior year. He stated he and his wife are the type of taxpayers the board will be selling the budget to as they have no children in the school system, which means they are not using the services they are paying for. He stated they are not that many years away from retirement, would like to stay in Hollis, but are not happy with the budget.

He stated he believes the cost per student to be over \$16,000, which is well in excess of what private schools are charging and well in excess of the state average. He stated the DOE website indicates the COOP School District cost per pupil is well below state average. He stated the numbers are not sustainable. He commented if the desire is for he and his wife to remain in Hollis the Budget Committee and the School Board has to address these issues as they cannot continue to pay ever increasing taxes.

Steve Pucci, 25 Nartoff Road

Stated his generic impression is the budget could be lower than where it currently stands. He commented the chart presented at the March 2011 meeting, which was presented by the COOP School District to the community, indicated the special education budget in the Hollis School District was going to decrease by \$350,000, which was the justification for offsetting the increases occurring at the COOP School District. A review of the budget suggests that did not occur. He suggested the board review that and reflect the changes in the budget. He stated the same discussion is being had for next year; offsetting special education costs. He remarked it appears there is a projected decrease of approximately \$90,000 in special education costs in the FY13 proposed budget when a significant number of students will be moving on to the middle school.

He stated if the same argument is going to be made, he wishes to ensure what is reflected in the Hollis budget is what is being stated at the COOP level. He stated his uncertainty with the proposed figures and reiterated that was not the case for the current year.

Mr. Pucci suggested the board was missing something related to the unreserved fund balance; the last page of the budget shows the actual budget for last year at \$10.291 million and the budget for FY13 at \$10.689 million. He stated his belief the Budget Committee had presented the budget for this year as a flat budget. If the unreserved fund balance were taken into consideration it suggests the projected budget number for this year is actually an increase in spending. He suggested the board consider reduction in some areas given the proposed budget is being reflected based on the higher number. He agreed with the comments made by member Pucci regarding FTEs versus enrollment figures. He stated when looking at the significant decline in enrollment you have to use the term right sizing the organization. He stated his belief the last place that should be looked to for a reduction is the teaching staff; those individuals in front of the students.

Speaking to the discussion around special education costs, he stated the majority of the dollars in special education are related to salaries and benefits directly or indirectly. He stated his belief there is 100% control over salaries and benefits, which is handled through contract negotiations. He remarked what is already within the proposed budget for FY13 as a total compensation, i.e., benefit and pension increases, which are increasing at a rate of 9.6% on the medical side and

2%± increase for pensions per employee, suggests every employee will be receiving between \$2,000 and \$3,000. If you were to consider pay increases you have to question what total compensation truly is. He stated if the board is not going to do anything around benefits and pension it becomes an unsustainable situation.

He stated there are things that can be done with regard to benefit costs, but it appears those options are not reflected in the FY13 proposed budget. A member of the Budget Committee stated medical costs are a fixed amount and not in accordance with the Local Government Center's Gross Maximum Rate of increase (9.6%). When asked what the increase would be, he stated, in accordance with the tentative agreement with HESSA, the increase is \$50 per person.

Mr. Horton clarified that figure is the maximum employee contribution. Mr. Pucci questioned the total cost increase for medical. It was stated there is a fixed amount per employee per month. Mr. Beauregard stated an approximate \$113,000 decrease in health insurance indicated for the same number of FTEs. The Budget Committee questioned whether that was reflective of the labor agreements, which have a cap in place, and was informed that is the case. He clarified health insurance costs are increasing; however the district's liability is fixed. Mr. Beauregard added part of the decrease is due to the fact the estimated total increase last year was higher than it is this year.

Mr. Horton noted there has been a great deal more work performed this year in building the census of what plans people are on and budgeting to those plans. Chairman Hyde noted the budget, as proposed, was prepared prior to the tentative HESSA agreement. Ms. Pucci added also to be considered is the finalization of the HEA contract.

John Anderson, 122 Wheeler Road, Hollis

Stated the Selectmen are requesting \$75,000 to drill a well. He stated his understanding the reason discussion is being had around drilling a well is so the Town can become independent of the water system due to a fear of becoming a public utility. Chairman Mann stated that is not the only reason. When asked, Mr. Beauregard spoke to the demand on the well. Mr. Anderson remarked that demand has existed for 100 years. Mr. Beauregard spoke of reduced levels in the well both last year and this year. He touched upon the need to restrict water usage in the schools last year. Mr. Anderson stated his understanding there was a terrible drought last year. Chairman Mann added the well has to be treated for facilities not in the district at a cost of approximately \$30,000/year. Chairman Hyde stated those costs should be recouped.

Mr. Anderson read information he gathered from the Public Utilities Commission (PUC): "Water companies regulated by New Hampshire Public Utilities Commission must meet the definition of a public utility. Generally to be considered a public utility a water company must own, operated or manage plant or equipment for the conveyance of water in the public. Presently there are 33 water companies that meet the definition of public utility and as such are regulated by the PUC. Although there are 160 municipal water companies in New Hampshire, only a few are considered public utility, which by definition is regulated by the PUC. Municipal water companies operating within their municipal borders are exempt from definition of a public utility."

He stated as long as you stay within the boundaries of your town you are exempt. He added you have to have 75 or more customers to even be considered as a public utility. He stated his desire to get that information out so he can feel more comfortable about not spending \$75,000 for drilling a well.

Bob Lavendeck

Thanked the Chairmen for ensuring members of the public were provided with hard copies of the information being discussed.

Budget

Ms. Pucci spoke of the computers that were relocated to the library when the main lab was dismantled to accommodate the EDK classroom and questioned why those computers would not simply be relocated to classrooms rather than expending budgeted funds on new computers for the classrooms. Principal Allen responded the computers that went into the library replaced older computers, which resulted in the purchase of fewer computers as part of the replacement effort.

Chairman Hyde questioned the will of the board with regard to providing any additional guidance to the School Board with regard to reaching the final budget figure. The general consensus was for guidance to remain.

A member of the Budget Committee agreed with comments made by Mr. Anderson and remarked he too is skeptical there is a true need to invest a great deal of money into the water system. He added addressing the leak(s) is an effort that should be undertaken.

Chairman Hyde questioned whether it is the intent of the COOP School District to come off the system. Superintendent Hodgdon responded it is her understanding the well is there to provide water for the high school and that there would need to be an additional expenditure to run the line down to the middle school, which would then take the middle school off of the system. Chairman Mann noted the capacity of the well is not recommended to support both facilities.

Chairman Mann stated over several decades the water system has become coupled with multiple users and it will take several steps to reverse that; the work the Town is undertaking, working collaboratively with the COOP School District on a solution to remove the middle school from the system, and addressing private users of the system. He stated the Hollis School Board is not motivated by the PUC turning the district into a water company as it is already a water company. He spoke to the amount of overhead the system generates and the amount of time it has taken away from the administration and their duties to the running of the schools.

Chairman Hyde questioned if the costs are not being accurately assessed and apportioned, why they aren't. Chairman Mann responding sharing those costs (electricity, maintenance, etc.) puts the district closer to being a water company. He added the last thing they wish to do is start charging users as that is the opposite from the direction in which they wish to head. He commented when individuals are charged for the service expectations change.

Selectmen LeDoux stated there are capabilities to charge and the school district was remiss in not charging those it has the authority to charge. It was stated an oral agreement was reached at a meeting that took place around the budget last year whereby the Selectmen agreed to cover appropriate costs and identified the need for all parties to be involved in discussions around the water system and the direction it will take. He remarked the Town is not happy about spending \$75,000 to put in a well, but the fact of the matter is they need to in order to get off of the current system to alleviate the demands on it. He commented the school district should never have been in the water business.

NON-PUBLIC SESSION

**MOTION BY MEMBER HARRIS THAT THE BOARDS GO INTO NON-PUBLIC SESSION BY ROLL CALL PURSUANT TO RSA 91-A:3 II (c) TO DISCUSS A MATTER, WHICH IF DISCUSSED IN PUBLIC, WOULD LIKELY AFFECT ADVERSELY THE REPUTATION OF A PERSON, OTHER THAN A MEMBER OF THE BODY OR AGENCY ITSELF
MOTION SECONDED BY MEMBER WHITTEMORE**

A Viva Voce Roll Call vote was conducted, which resulted as follows:

Yea: Mark LeDoux, Tom Gehan, Susan Benz, Mike Harris, Frank Whittemore, Thomas Jambard, Christopher Hyde, Rob Mann, Rich Manley, Deborah Pucci, William Beauregard, Frank Giudici
12

Nay: 0

MOTION CARRIED

The Board went into non-public session at 8:35 p.m.

The Hollis School Board discussed matters related to staffing levels with the Hollis Budget Committee.

**MOTION BY MEMBER BEAUREGARD TO COME OUT OF NON-PUBLIC SESSION AND RETURN TO THE JOINT MEETING OF THE HOLLIS BUDGET COMMITTEE AND THE HOLLIS SCHOOL BOARD
MOTION SECONDED BY MEMBER GIUDICI
MOTION CARRIED**

12/0

The Board came out of non-public session at 9:00 p.m.

A member of the Budget Committee questioned reduced costs associated with foreign language and computer teaching materials. Principal Allen noted computer teaching materials were allocated to a different account and the Spanish teacher foreign language materials were reduced as the school is not intending to work with Rosetta Stone next year.

ADJOURNMENT

**MOTION BY MEMBER HARRIS TO ADJOURN
MOTION SECONDED BY MEMBER WHITTEMORE
MOTION CARRIED**

The January 11, 2012 Joint meeting of the Hollis Budget Committee and the Hollis School Board was adjourned at 9:00 p.m.