



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

Minutes of February 4, 2013

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Tom Gehan at 6:32 PM.

Members present: Tom Gehan, Mike Harris, Susan Benz, Chris Hyde, Peter Band, Frank Giudici, Frank Whittemore, Tom Jambard

Also present:

Hollis School Board-

Rob Mann-Chairman, Debbie Pucci, Frank Giudici, Bernard Mizula

School Administration-

Susan Hodgdon - SAU41 Superintendent

Eric Horton - SAU41 Business Administrator

Liz Allen - HPS Principal

Candi Fowler - HUES Principal

Amy Rowe - SAU41 Director of Student Services

Martha Bedrosian – SAU41 Interim Asst. Superintendent

Jill Peterson - Asst. Principal HPS

Drew Mason – School District Moderator

Pledge of Allegiance was said.

Review of Agenda

Discussion of Budget Process:

Tom G. reviewed the upcoming dates and other highlights of the budget process. He also reviewed the methodology by which budget guidance is calculated. Guidance to the School District was provided in October 2012 at a decrease of 1.2% (\$100,256) from last year. He discussed some relevant demographics for Hollis. Tom G. then presented slides showing the expected schedule of bonded debt service for the town and schools.

The next discussion centered around enrollment trends as compared to full time equivalent (FTE) staffing levels and Ed. Spec. class sizes. Lastly was a chart of cost per pupil trends over the last ten years.

Overview of Warrant Articles:

Tom G. briefly reviewed the ten articles on the school district warrant.

Tax Rate Calculation:

Budget Committee Minutes February 4, 2013

Tom G. provided a discussion of factors affecting the tax rate. He mentioned that revenues are expected to drop for the coming year, which means that even though the overall budget spending will be reduced, the school district tax rate is expected to increase slightly. Including all of the warrant articles as written, the combined tax rate for 2013 is expected to increase by \$0.20 over 2012, which equates to approximately 1%. A more accurate estimate will be available after all of the town and school district meetings in March.

Warrant Articles/Public Input:
Article 1 – Elections

Article 2 – Operating Budget - \$10,293,836

(This article is recommended by the School Board.)

Bob Labednick (Truell Road) asked whether the Operating Budget article should be the last article on the warrant, rather than at the beginning. It was pointed out that the costs associated with subsequent articles will be additional to the amount of Article 2, not included in it.

David Sacks (Jambard Road) asked about the cost increase due to teacher retirement mentioned on an earlier slide. It was explained that the cost of participation in the NH Retirement System has jumped dramatically over the last two years. The system has been under-funded and returns overestimated for a number of years. He also asked what the actual Ed. Specs. were for class sizes, and what the status would be in the 4th grade, with four versus five sections. It was estimated that class size would be 18 with five sections, and 22.5 with four sections. David S. stated that class size is a key measure of the quality of education.

Tom Whelan (Worcester Road) asked about the impact of reducing a section. He feels that Hollis will only grow as the economy improves, and the additional section will eventually be needed. The Ed Specs. should be viewed as maximums, not to be exceeded. Also, it is not worth disrupting the 4th grade teaching unit for short-term gain. We should not let increasing administrative/benefit costs take away from the quality of education.

Erin Hubbard (Mooar Hill Road) stated that her family had recently moved to Hollis because of the good reputation of the schools. She has children, not yet enrolled in the school, who are eight and five years of age. Next year the elder one will be in 4th grade. This is an additional student to add to the headcount.

Tammy Fareed (Winding Valley Road) asked for a definition of Ed. Spec. They are being used as a target, however, the policy says they should be a maximum. Mike H. gave a discussion of the history of Ed. Specs. and how/why they were derived. Some discussion ensued pertaining to the need for a target which is different from the maximum. Tammy F. then pointed out the fact that upcoming grades will need five sections, so it does not make sense economically to drop a section now only to rehire a year later.

Skip Snyder (Long Hill Road) asked why there is a maximum class size, but not a range. Rob M. stated that the policy was recently created along the lines of previous planning strategies. He said that a range could be useful, it just didn't happen to be included at the time the policy was created. Skip S. suggested that quite a bit of deliberation could be avoided if the policy was clear as to upper **and** lower limits to class size. He then asked how much money would really be saved if one 4th grade section was eliminated. The initial estimate was \$70K. However, due to union contract rules governing involuntary reduction in force, the savings could be significantly less than that. Skip S. then requested that the BudCom keep the \$70K in the budget and go with the smaller class sizes.

Cindy Ryherd (Witches Spring Road) asked whether the BudCom was questioning the 4th grade class sizes only because the budget was slightly over guidance. Tom G. stated that problem is related to adherence to policies, not budgetary. Cindy R. mentioned that teachers are under far more pressure, and have many more requirements, than they had even five years ago. That maybe the policy on class sizes should be revisited with that in mind. She also requested that the \$70K be kept in the budget.

Budget Committee Minutes February 4, 2013

David Sacks wanted to clarify whether the budget as it is currently proposed allows for four or five 4th grade class sections. The answer was five. He also compared Hollis' specs to those of Bedford, where the maximum class size for 4th grade is 20. He stated that he is in support of the smaller class sizes. Laurie Miller (Forest View Drive) stated that she agrees with the majority viewpoint of keeping the extra class section. She said that a teacher is not just a salary, they are an investment. It's better to err on the side of caution.

Bob Houvener (Emerson Lane) felt that the BudCom and School Board are doing an excellent job of keeping the budget essentially level despite external factors which have created significant upward pressures. His recommendation was to avoid unnecessary "churn" in the system and keep the class sections where they are for now.

Bob Labelednick asked what is the plan going forward when the debt service begins to drop. Will there be new bonds to take their place? Tom G. stated that there are no known projects requiring bonded debt that he is aware of. Those discussions will take place as the need arises.

Tammy Fareed mentioned that there used to be a greater number of paraprofessionals and other support staff in the buildings who were able to assist with classroom logistics, etc. This was a big time-saver for the teachers. This is no longer the case.

Article 3 – Support Staff Contract - \$30,928

(This article is recommended by the School Board)

There was no public input.

Article 4 – Call Special Meeting

(This article is not recommended by the School Board)

This special meeting is generally not recommended by the BudCom either. The article may be removed from the warrant, and it could be brought up later by petition.

Article 5 – Expendable Trust Fund SAU Offices - \$8,000

(This article is recommended by the School Board)

These funds are derived from rental income for the office space. It is a perennial article allowing funds to be set aside for maintenance purposes at 4 Lund Lane.

Article 6 – Expendable Trust Fund School Maintenance (HPS/HUES) - \$4,000

(This article is recommended by the School Board)

The purpose of this article is to replenish funds in the Maintenance Trust Fund for the school buildings. David Sacks (Jambard Road) asked how the \$4K number was arrived at. Eric H. stated that the \$4K was used as a place holder a couple of years ago for no specific reason. The overall goal is to keep the year end balance roughly constant.

Article 7 – SAU 41 Operating Budget Assessment - \$362,594

(This article is recommended by the School Board)

Laurie Miller (Forest View Drive) asked why last year's budget was higher. Eric H. said that he has been able to trim amounts in certain areas to make the budget more efficient. He felt that fund balance could be used to cover unexpected expenses if they arise. There have been no staffing changes. Drew Mason (Baxter Road) brought up the fact that this article will be a ballot vote and to keep this in mind when setting the order of the articles on the warrant.

Article 8 – Catastrophic Aid

(This article is recommended by the School Board)

There was no public input on this article.

Article 9 – Adopt & Establish Retained Fund Balance per RSA 198:4-b,II

(This article is recommended by the School Board)

Budget Committee Minutes February 4, 2013

Mike H. asked how expenditures could be made from this fund, once it has been established. Chris H. stated that the School Board can decide in any given year if they need to dip into this fund "to reduce the tax rate or for emergency expenditures and over-expenditures under RSA 32:II which are approved by the Department of Education."

There was no public input in this article.

Upcoming meetings:

Tuesday, Feb. 5, 2013: Public Hearing Town Budget

Thursday, Feb. 7, 2013: Public Hearing COOP District Budget

Tuesday, Feb. 12, 2013: BudCom regular meeting

Tuesday, March 5, 2013: COOP District Annual Meeting

Tuesday, March 12, 2013: Town elections

Wednesday, March 13, 2013: Town Meeting

Monday, March 18, 2013: Hollis School District Annual Meeting

NON-PUBLIC SESSION

MOVED by Mike Harris seconded by Peter Band that the BudCom enter NON-public session in accordance with RSA 91-A: 3-II (c) reputation, privacy of non-board member. Voting in favor of the motion were Harris, Hyde, Gehan, Benz, Band, Whittemore, Giudici, and Jambard. No one was opposed. The motion PASSED 8-0-0.

The BudCom entered non-public session at 8:24 PM.

CONCLUSION OF NON-PUBLIC SESSION

MOVED by Chris Hyde seconded by Frank Whittemore that the BudCom seal the minutes of the NON-public session in accordance with RSA 91-A: 3-II (c) privacy. Voting in favor of the motion were Harris, Hyde, Gehan, Benz, Band, Whittemore, Giudici, and Jambard. No one was opposed. The motion PASSED 8-0-0.

MOVED by Chris Hyde seconded by Frank Whittemore that the BudCom come out of NON-public session in accordance with RSA 91-A: 3-II (c) reputation, privacy of non-board member. Voting in favor of the motion were Harris, Hyde, Gehan, Benz, Band, Whittemore, Giudici, and Jambard. No one was opposed. The motion PASSED 8-0-0.

The Board came out of non-public session and entered into public session at 8:45 pm.

BudCom Discussion and Vote:

Mike H. moved that the BudCom recommend Article 2. Chris H. seconded. All voted in favor. Motion passed 8-0-0.

Mike H. moved that the BudCom recommend Article 3. Chris H. seconded. All voted in favor. Motion passed 8-0-0.

Mike H. moved that the BudCom not recommend Article 4. Peter B. seconded. Chris H. felt that the article should be removed from the warrant. Mike H. agreed. All voted in favor. Motion passed 8-0-0.

Mike H. moved that the BudCom recommend that the School Board remove Article 4 from the warrant. Frank G. seconded. All voted in favor. Motion passed 8-0-0.

Mike H. moved that the BudCom recommend Article 5. Peter B. seconded. All voted in favor. Motion passed 8-0-0.

Mike H. moved that the BudCom recommend Article 6. Chris H. seconded. All voted in favor. Motion passed 8-0-0.

Mike H. moved that the BudCom recommend Article 7. Chris H. seconded. All voted in favor. Motion passed 8-0-0.

Mike H. moved that the BudCom recommend Article 8. Frank G. seconded. All voted in favor. Motion passed 8-0-0.

Budget Committee Minutes February 4, 2013

Mike H. moved that the BudCom recommend Article 9. Peter B. seconded. Chris H. looked online for a definition of emergency expenditure under RSA 32:II. He read the definition aloud. All voted in favor. Motion passed 8-0-0.

Review of Minutes:

Mike H. moved to accept the minutes of 12/12/12 as written. Tom J. seconded. All voted in favor with Chris H. abstaining. Minutes were approved.

Mike H. moved to accept the minutes of 1/8/13 as written. Chris H. seconded. All voted in favor with Frank G. abstaining. Minutes were approved.

Mike H. moved to accept the minutes of 1/9/13 as written. Chris H. seconded. All voted in favor. Minutes were approved.

Motion to adjourn was made by Mike H. Peter B. seconded. Meeting was adjourned at 9:05 PM.

Respectfully submitted,

Barbara Kowalski, Tax Collector