



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

Minutes of February 10, 2010

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Chairman Chris Hyde at 6:40 PM.

Members present: Chris Hyde, Chairman; Bill Beauregard, School Board Representative; Tom Jambard, Bob Labednick, Raymond Valle; Peter Band, Selectman

Also present: Rich Manley, Hollis School Board; Susan Benz, Hollis School Board; Candi Fowler, HUES Principal; Mark McLaughlin, Business Administrator; Susan Hodgdon, Superintendent; Chris Siegfried, Dir. of Facilities; Ruth Tuttle, HPS Assist. Principal; Jim McCann, Hollis School Board Chairman; Robb Mann, Hollis School Board; Robert Kelly, Director of Special Education

Public's questions & comments

Article 2

- Drew Mason Baxter Rd.
 - Are we are reducing 3 positions?
- Bill Tolle, Orchard Dr.
 - o Does NESDEC forecast take into consideration decline in home building, students moving into town in upper grades?
 - o Could we do w/o fixing HUES – do we need the space?
 - o Why doesn't 5% drop in population correspond to 5% drop in budget
 - o Why couldn't I get a copy of budget 3 hrs before mtg
- Steve Pucci, Nartoff Rd.
 - o Question on MS27, page 6 tax impact \$1.2m difference from last year - \$579.4k mold + FY09 \$643.5k fund balance – is \$1.2m the tax impact this year?
 - o Does FY10 have a fund balance to offset the \$579 increase proposed for FY11
 - o Bad idea to raise taxes, need to demand more from the state to reduce uncertainty for March meetings, flat budget doesn't mean we are actually
- Iris Realmuto – Cameron Dr.
 - o Why is professional development summary line item \$20k higher than what was spent in any year? Can it be placed in contingency?
- Tom Enright – Main st.
 - o Concerned there will be tax impact with schools and Town, 2 pieces we can do better on (not questioning numbers and need) are Clock tower, and HUES about \$1m total. With respect to HUES \$579.4k repair, can we consider unreserved fund balance, get the cost of repairs down, reduce contingency, push off some of the cost to following year by getting a line of credit for a piece of it given large balances we carry in banks if you get authorization from the town?
 - o Cost per student over \$2k 20% variance from state average – what is the analysis that explains where that variance is?
- Iris Realmuto – Cameron Dr.

- o If Article 3 doesn't pass will board remove the \$7,500 merit pool for Admin.?
- o if this article fails what is the impact, does current contract evergreen?
- o This is a very fair contract, but approving is hard in these times
 - Drew Mason Baxter Rd.
- o Is off step increase evergreened if there is not contract in following year?
- o Need to explicitly present what evergreen does specifically during and after this contract.

BudComm comments / questions

- Admin merit pool increase? (A: 1.5%)
- Ray Valle, do we have historical unencumbered fund balance history? (A: yes, FY09 analysis presented to BudComm last July)
- Ray Valle, Position of operating budget as 1st rather than last article on the warrant. Would prefer to see it last to be less confusing
- Frank Whittemore, cost per student is due to student/teacher ratio.
- Ray Valle, \$2k variance cost per student over state = \$650k or at \$1.5k is \$450k impact on budget
- Ray Valle, what is -1%, -2% budget scenarios, can it be addressed in fuel, consumables (A: would affect programs, waiting to see if fuel prices decline by annual meeting)
- Tom Jambard, why has trash removal gone up so much? (A: reflects actual contract cost) FY10 actuals aren't justifying what we are proposing. (Chris S. stopped spending to cover mold repairs) Why hasn't heating/ventilation gone down after cleaning the vents. (A: due to service contracts, parts), Is there redundancy between the schools? (A: no)
- Ray Valle, Feb 10th – actuals Oct. 31, Report label is Nov. 4th
- Bob Labednick, likes to visit and see projects he's voting on, needs to visualize, school should welcome taxpayers to visit to see HUES repair (Chris Hyde mentioned he didn't schedule it). Pictures brought to meeting would help
- Tom Jambard – hasn't been in the school since it was open concept, needs to see what is really required for repairs, wallboard, wiring
- Chris Hyde - How do we show people the HEA CBA if we don't have the CBA? (A: terms and costs are available, takes time to finalize contract language.) Needs to see final language of the contract, financial impacts in all years of the contract and liability of evergreen provisions beyond that.
- Ray Valle, has the compound salary growth for 3 year HEA contract been calculated? (A: no)
- Peter Band, if no contract in year 4 does HEA get full step or 7/12ths of step? (A: Action for Admin. to get legal opinion)
- Ray Valle, What happens evergreen wise if annual meeting doesn't approve the article in year 2 or year 3? Is a supermajority needed since evergreen binds future annual meetings? (A: Action for Admin. to get legal opinion)
- Tom Jambard, what is the total cost to the town? What are the healthcare and retirement costs? (A: reviewed the Article 3 slides)

- Chris Hyde – projection for years 2 and 3?
- Ray Valle, Coop not putting admin merit increases in budget but will vote to amend the budget if Article 3 passes.
- Chris Hyde – can HPS roof be deferred another year? (A: Not recommended, roof has dry rot)
- Chris Hyde – Does Article 7 cover energy projects in the expendable trust? (A: Yes)
- Ray Valle, are anticipated savings reflected in the budget – number of KW hrs & cost per KW hrs (A: no. grant approval isn't guaranteed and hasn't been approved yet. Estimate about 50% cost of lighting savings, \$23, 540k savings)
- Tom Jambard, is there a demand savings as well? (A: not known yet)
- Peter Band – grant has requirements, requires Davis Bacon Prevailing Wage act to pay union wages, Buy American Act, record keeping requirements, estimates 60% real value from the grant.
- Chris Hyde – gross based budgeting needs to be accounted for (A: separate article will have budget expense and offsetting revenue.)
- Ray Valle, would like to see estimates of savings before voting on budget for items: HUES, oil, lighting grant, possible retirements
- Planning another meeting – budget must be submitted 20 days before annual mtg. Meet next week – site walk Wed 2/17 4PM, BudComm mtg Thur 2/18 6:30PM, need a meeting place.

At 10:45 p.m. a Motion to recess until February 17, 2010 4:00 p.m. HUES was made by R. Vallee, seconded by T Jambard.

2/17/10 Chris reconvened the Bud Comm Meeting at 4:10 p.m.

Meeting was held in the HUES, Hollis, NH. The Budget Committee was called to order by Chairman Chris Hyde at 4:10 PM.

Members present: Chris Hyde, Chairman; Tom Jambard, Bob Labednick, Frank Whittemore, Bill Beaugard

Also present: Rich Manley, Ron Mann, Candy Fowler, Chris Siegfried, Paul Hemmerich

BB explained the extent of the problem as the BudComm toured the northeast end of the building.

The BudComm reviewed the lower level exterior wall and PH explained the drainage problem with the rain and snow loads causing moisture seeping into the building.

Several methods to correct this problem were discussed.

The BudComm then observed both ends of the building where earth directly contacts the concrete walls. Both end walls will need to be excavated to determine if exterior mater proofing was used. The BudComm then moved inside and inspected areas where ceiling tiles and floor boards have been removed. PH spent a great deal of time explaining what would be done to correct the problems. Discussion ensued regarding several proposals from contractors.

There are three major areas of concern:

1. The outside excavation and sealing
2. Insulating all cold surfaces
3. New heat recovery and ventilation system

There was also discussion and review regarding the need to update wiring for additional electrical outlets and computer services.

There was a lengthy discussion with PH about the cost for the project and the need to prepare additional information to present to the voters at the annual school meeting.

The meeting was recessed at 6:15 to be reconvened at the Community Room at Hollis Town Hall 2/18/10 at 6:30 p.m.

2/18/10 Chris reconvened the Bud Comm Meeting at 6:30 p.m.

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

Members present: Chris Hyde, Chairman; Mike Harris, Vice-Chairman, Bill Beauregard, School Board Representative; Tom Jambard, Bob Labednick, Raymond Valle, Frank Whittemore;

Also present: Rich Manley, Hollis School Board; Susan Benz, Hollis School Board; Candi Fowler, HUES Principal; Mark McLaughlin, Business Administrator; Susan Hodgdon, Superintendent; Chris Siegfried, Dir. of Facilities; Ruth Tuttle, HPS Assist. Principal; Jim McCann, Hollis School Board Chairman; Robb Mann, Hollis School Board; Robert Kelly, Director of Special Education, Mark LeDoux, Selectman.

Chris thanked Paul Hemmerich for his assistance during the previous day's meeting at the HUES.

Bill noted that the Operating Budget was now the last W/A.

Art. 2 \$52,000 CBA cost items for Professional Staff. If approved the Contract would fall under the Evergreen Provision. MH excluding COLA? Would they be rescinded or the % wouldn't be carried forward. BB anything considered COLA would not be guaranteed in following years.

BB presents slides detailing population, enrollments and class size. BB presents current and forecasted projections that illustrate the decline and subsequent position reductions.

The revised Operating budget is \$11,064,070. This is a decrease of \$261,003 decrease from PY Operating Budget. CH if all articles are approved is there a 2.3% reduction? BB yes except for HUES remediation. Tax impact based on Surplus added to Revenues. BB details how the Town of Hollis utilizes Undesignated Fund balance and how that ultimately affects the Tax Impact from the HSD. There is a 5.9% increase w/o HUES and with it there is a 6.81% or and 11.9% increase on the Tax Rate. BB is concerned that the Operating Budget is down, but the Tax Impact is up. BB details the transfers from the Expendable Trust funds.

Art. 2-Justification for this article. BB details the gains to the community. 1.) a 3 year agreement frees up time for all involved and defers the Evergreen impact. Based on B/C B/S vice Matthew Thornton. Savings of \$5,600. Health Care cap maintained. The HSD will prefund the HSA's for a Luminous High Deductible Family Plan. Change in RIF policy to remove POT employees as 1st to be affected by RIF. CH asks about the CAPs. 85% of B/C up to \$1,140. In no case does the ee pay less than 10%. FMLA must report leave needs by requested 2/1 and sabbatical leave by 3/1. BB details the positive aspects of having an approved contract. MH asks about how the valuation was arrived at? BB states it was based on current staffing levels, so the numbers could be less based on an RIF. CH asks if an adjusted number would be available? Retirements and RIF will reduce the contract article which will be known by 3/1. The timing on an amendment on the floor was discussed revolving around retirements and RIF. The Evergreen provision is detailed by BB. All compensation is considered cola and therefore will not be granted if the governing body does not

approve subsequent years. RV is concerned that the compensation is not a COLA and may not be held up in court. COLA is not in the payment schedule. ML suggests tightening up the language of the Contract. BB details that this article is substantially less than the previous 2 years \$157,000 and \$245,000. BB summarizes that this contract keeps the HSD in good order and due to the Evergreen provision there is motivation to for the ee's to bargain a successor agreement. CH is still concerned that the contract is lacking in protection for the Town of Hollis. CH would like to see the specific language as would BB. The Warrant must be posted by next Friday February 26, 2010 per SH. BB details the genesis of the current tentative agreement. BB states that the only provision that wouldn't survive the Evergreen provision would be the salary scale and people off the salary scale.

MH moves to approve Article #2, 2nd by TJ. RV is worried about the economy and troubled by the impact on the taxpayers. BB states that we needed to give certain things to achieve certain things ie the RIF language. CF details the RIF proposed language.

Motion passes 5-2 (Hyde, Valle)

Art. 3 Special Town Meeting if Art. 2 passes.

Art. 4 Lund Lane \$8,000 Expendable Trust. 1/3 is coming from HSD. **MH moves to approve Article #3, 2nd by FW.** BB details the plans for the appropriation.

Motion passes 7-0.

Art. 5 School Bldgs. \$71,000 Expendable Trust. BB details the plans for the appropriation and the transfer for the Energy Grant and then there would be a transfer for the HUES remediation. CH asks if this \$71,000 will be the amount of the surplus. BB indicates that there is \$449,000 of unencumbered funds anticipated. MH how does the \$579,000 HUES repair get funded, part from expendable trust, part we are hoping from unencumbered fund balance and raise and appropriate the remainder from taxes.

MH moves to approve Article #5, 2nd by BL.

Motion passes 7-0

Art. 6 \$115,337 Energy Grant.

MH moves to approve Article #6, 2nd by BL. BB describes the energy audit recently performed and projected savings.

RV is concerned about the Federal Regulations involved. BB This frees up \$42,000 in HUES repairs.

Motion passes 5-2 (Whittemore, Valle)

Art. 7 \$11,383,489 Operating Budget plus HUES less other warrant articles. BB details the only increase. It is the Asst. SPED position which has already paid for itself. The decreases/reductions are 3 fewer classes, reduced contingency, SPED tuition, English as a 2nd language, Tutor services, only 1 contract negotiated, extended school year, physical therapy, lane changes and professional services and bond principle. Additional decreases were a 4th position in HPS. We are removing purchase of speech position (5th position reduced) and changing funding source .3 reading source from the operating budget to a grant received. Reduce library by \$10,000 and \$15,000 for laptops. The teacher laptop will be moved to a 2 year plan.

MH moves to approve Article #7, 2nd by RV.

CH asks about the clerk of the works by possibly reducing the position. BB had the same thoughts and was advised that it would not be a good idea. PH agrees. The project is complex and needs constant monitoring and oversight. There is a budget for \$30,000 for the Clerk of the Works. CH asks about the line drops. Tax Impact will go from \$6.09 to \$6.81 or an 11.9% increase or \$2,384 on a \$350,000 home. FW brings up the HUES walk through. The problem is an external water issue. BL describes a drainage solution and it doesn't seem to be addressed in the remediation plan. CH recaps PH comments fro the 2/18 walk trough 1.) excavation work 2.) keep moisture from condensing with insulation and 3.) managing airflow. Discussion continued regarding potential action in the next several days.

Motion passes 7-0

Motion to adjourn at 9:10 p.m. was made by M. Harris, seconded by F. Whittemore.

Respectfully submitted,
Bill Beauregard, School Board Representative
Barbara Kowalski, Tax Collector
Paul Calabria, Finance Officer