



BUDGET COMMITTEE
Town of Hollis

Seven Monument Square
Hollis, New Hampshire 03049
Tel. 465-2209 FAX 465-3701

Minutes of March 25, 2008

Meeting was held in the Community Room, Hollis Town Hall and was called to order by Secretary, Deborah Adams at 7:30 PM.

Members present: Chris Hyde, Chairman; Mike Harris, Vice Chairman; Mark Johnson, Selectmen Representative (arrived late); Bill Beauregard, School Board Representative (arrived late); Tom Jambard, Bob Labednick, Bill Matthews, Frank Whittemore.

Also present: Paul Calabria, Finance Director

Election of Officers

Debbie asks for nominations for Chairman.

Tom nominates Mike Harris as Chairman. Seconded by Frank.

Bob nominates Chris Hyde as Chairman. Seconded by Bill

Chris is concerned about Mike's work schedule over the past year. He asks Mike how confident he is about attending meetings this coming year. Mike agrees that as the Chair it is important to attend these meetings. His travel schedule for work has been terrible, yet this should lighten up by June. Bob comments that Mike runs a good meeting.

The first round of paper ballot votes resulted in a tie, 3 votes for Mike and 3 votes for Chris.

Tom moves to continue this meeting with the current Chair/Vice-Chair and to have elections for these positions at the April meeting when all members are in attendance. Seconded by Bob. Motion unanimously approved.

Debbie asks for nominations for Clerk.

Tom nominates Bill Matthews as Clerk. Seconded by Mike. Motion unanimously approved. Bill Matthews is elected as Clerk.

Bill and Mark both arrive at this time. All members wish to continue with the voting process and agree to vote again with the existing nominations of Mike and Chris for Chairman.

The second round of paper ballot votes resulted in 5 votes for Chris and 3 votes for Mike. Chris Hyde is elected as Chairman.

Debbie asks for nominations for Vice Chairman.

Bob nominates Mike Harris as Vice Chairman. Seconded by Tom. Motion unanimously approved. Mike Harris is elected as Vice Chairman

Review of Minutes

Tom moves to approve the Minutes of January 17, 2008. Seconded by Bob. Motion approved 3-0-5 with Mike, Bill B, Bill M, Mark and Frank abstaining.

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Tom moves to approve the Minutes of January 22, 2008. Seconded by Bill B Motion approved 4-0-4 with Mike, Bill M, Mark and Frank abstaining.

Mike moves to approve the Minutes of January 25, 2008. Seconded by Tom. Motion approved 5-0-3 with Bill M Mark and Frank abstaining.

Mike moves to approve the Minutes of February 12, 2008. Seconded by Bob. Motion approved 6-0-2 with Bill M and Mark abstaining.

Mike moves to approve the Minutes of February 13, 2008. Seconded by Tom. Motion approved 6-0-2 with Bill M and Mark abstaining.

Town Report

Paul states that they just had the annual Town Meeting. The MS-24 has been sent to Concord with the approved budget. The tax collector is currently on a leave of absence, however they do have someone filling in during this time. He should have the 1st quarter report ready for the Selectmen in a few weeks. Most budget concerns at this point are all weather related. The DPW is overspent by \$7,000. The salt budget is at zero right now. They will continue to monitor this throughout the year. Mark comments that the salt inventory is significant, yet they are not sure if this will last through December. They are hoping for the best.

Paul mentions that the DPW typically purchases most of their salt in the spring, when costs are lower. Jeff has requested to do this again this year. Bob comments that the last few storms it appeared as though they were plowing nothing and spreading salt/sand needlessly. He feels this was unnecessary. Mark explains that each road in town is different and this is a judgment call. They would rather err on the side of safety. They try to be conservative, yet must also look out for safety.

Chris questions the liability to the town with mailbox hits during plowing. Some roads have many granite mailbox posts, such as Shedd Lane. Mark explains that the town has no liability for these. The town could have a policy to not replace any, as this is private property, however the town has historically attempted to offer some restitution. If the plow physically hits a properly installed mailbox, the town will replace with a wooden post and mailbox. The Shedd Lane mailboxes were installed too close to the road. He stresses that the plow drivers have a tough job and may not realize they are hitting a mailbox. The town will not replace granite with granite, as these are not safe. They will only replace with breakaway wooden posts.

Further discussion ensued regarding how plowing is performed in town with various members offering their opinions regarding the quality of the plowing. Chris points out that they are getting off track and how these discussions should be done with the Selectmen.

Tom comments that the Selectmen and BudCom may have dropped the ball if they are already out of salt for the year. This should have been anticipated better. Mark states that he will have better information on this for the next meeting. Paul explains that they try to anticipate the number of storms. One year this was budgeted for 50 storms and they got 67. The next year was budgeted for 60 storms and they got 65. Chris asks if this could be linked to growth. Mike comments that they have had a lot of snow this year.

Bill B asks if they also pay for sand. Paul states that the town purchases both salt and sand, however the sand can be used for road projects too. Bill B suggests purchasing 1½ years worth of salt when the price is lower, to allow for a reserve for coming years. Chris points out that the town also has more roads that need plowing and sanding/salting.

Chris asks if the town has arranged for any of the lease/purchases that were approved at town meeting. Paul reports that the interest rates have come down from the rates used for the budget and warrant articles. He will have better figures at the next meeting.

Paul states that he will soon be changing his financial reporting away from an Excel based program and into a financial program. He questions the BudCom's need for the historical data that is shown on the existing monthly reports. Chris stresses how much he uses and would like to continue with this reporting format. He feels that seeing historical budgets vs. actuals is very helpful to the BudCom. Paul will make sure this information is preserved during the process.

School Report

Bill B states that he has not received the budget report for this month yet. As soon as he receives it, he will forward it on to the BudCom. So far they are on track for the year. The Business Administrator can now see the light of day and will soon be looking

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at the requirements for the BudCom's fte report. They plan to work on this soon and hope to have it ready by the summer. Their goal is that once the report is created, the new computer system should be able to update the data annually.

The school board recently asked Hutter Construction for an entire list on the maintenance plan. This will include the status of all items, whether they have been corrected, in the process of being corrected, still outstanding, etc. Once he gets this list he will forward to the BudCom. There are 3 major items on the list that need to be addressed soon. The first is the underground plumbing between the schools is old and leaking. The second item is asbestos removal. Originally it was thought that the only asbestos was the insulation around the piping, yet they have now discovered some asbestos some wall panels. This will have to be removed appropriately. Chris thought this was taken care of years ago. Bill B agrees that this should have been done. Debbie reminds them that anyone performing the disposal must be certified. The Building Department requires all demolition projects to submit a NESHAP inspection report to them prior to the demolition. Bill B stresses to the public that this is **not** a safety issue for the children. This is located in a portion of the building that is not accessible to the students.

Chris comments that the prior asbestos remediation project was supposed to be very thorough and complete. He suggests looking at the contract for that work to see if there has been any negligence by missing this material. Mike agrees. He also recalls that this was supposed to be a complete remediation.

Bill B explains that the third item is to install a sprinkler system throughout the school. There is a partial system, but this needs to include the entire school. The building is grandfathered the way it is, however if there are any major renovations performed, this will have to be updated.

The school board will also be doing a food service study. They had to subsidize the food service budget this year, as it was not self funding. They will be looking at what is being purchased and whether the fees should be increased to cover the additional costs or should they continue to cover the extra from the general fund. This study has already been started.

They are also performing an SAU wide special education study. The same special education director works for all 3 school districts within this SAU. The study will be looking at the current management system and the services being provided. The purpose is to find ways to make the process more efficient. Currently the special education director spends much of his time out of district with litigation. If he is not in the district, he cannot be overseeing what is going on in the schools, which then causes more litigation and more time he must spend out of district. He is caught in a circle.

Chris points out that the apportionment for the SAU is not the same as the apportionment for the coop. He prefers to keep costs out of the SAU budget, as this ultimately costs Hollis taxpayers more. Bill B agrees it is better to keep the special education costs in the district, yet there are some positions that are shared by all districts. There is more control over a position in one of the district budgets vs. having the position within the SAU budget. He explains that this study will also be looking at the cost drivers; the number of students, the services provided and how efficient those services are being provided. In the past they did not have good financial data to review. They realize that they need to get a better handle on this.

Another area that will be reviewed is the administration at the schools. Currently there are 2 principals, 2 assistant principals and 2 curriculum coordinators. They will be reviewing the current model being used in Hollis and compare this to other school districts. The board is interested in a model where there are team leaders at each grade level. Mike cautions that they need to be careful to have a curriculum that flows from one grade to the next. Bill B agree. This should be a service model, with the 5th grade reporting back to the 4th grade as to whether the students that have moved up are prepared or not and what areas could be improved. They need to make sure that the 6th graders from Hollis are at the same level as the 6th graders from Brookline when they move up to 7th grade together.

Paul questions the pipe between the schools and the status of the piping from the well to the school. Bill B reports that the piping from the well to HPS is fine, however from the well to HUES is less clear. They are not sure. He heard it is in good shape, yet he does not know the details. Chris questions who this well serves. Mike states that this well provides water to the center of town. The middle school, Farley building, town hall and the 2 elementary schools, as well as a few residents. He feels that if the school is looking into this, they should really inspect the entire system. Mark agrees. All entities should be included to have a system wide inspection performed.

Paul mentions that the town's collective bargaining agreement will be expiring on March 31, 2009. Negotiations for a new contract will be starting up and Selectman Mark LeDoux will be heading this up. Paul questions how much the school paid for attorney services during their recent contract negotiations. Bill B will forward this information to Paul. He states that over the past year there were numerous meetings, yet now that he is more experienced with the process, he feels that some of those meetings were unnecessary and the whole progression could have been accomplished with less meetings with the same outcome.

Mike questions the idea of self insurance for the school. Bill B explains that this was an idea for a little while, however they had

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heard the town was having problems with this, therefore they began to shy away from it. Paul states that there were problems in the beginning with the original broker, yet this has all been resolved now that they have changed brokers. There are no employee problems now and it is working well.

Bill M questions any staff hiring that will be done over the summer. Bill B states that there will be 3 retirements at the end of this year and 1 of these positions will not be replaced. They will be hiring for 2 positions. It is unclear if there are any maternity leaves or other needs for replacements. Bill M questions the policy for new hires. Bill B believes that a Masters +15 with 5 years experience was used as a placeholder for the budget. Bill M feels that if they do nothing from year to year, the teachers will continue to move up by track and step. The only leverage they have is to hire at a lower level to help manage the average. This tends to average itself when there is increased student population, yet with the declining population it is hard to keep the average down.

Mike stresses that they must hire and pay based on experience. Bill B agrees. The applicant pool tends to be less experienced anyway. They are not attracting fresh out of college. He is not sure why. Chris states that the wording of their advertisement may not lend itself to attract those just out of college.

Chris feels the town and school may have dodged a bullet this year with the retirement system fiasco with the grandfathering of retirement health benefits for 1 more year. He anticipates seeing a run on this next year. Mark agrees that this is a problem. The selectmen have asked LGC (Local Government Center) to work with other towns to help coordinate efforts on this issue. He wonders if there is a similar government resource association for schools. Bill B indicates that there is a similar resource for them. He receives periodic emails on this retirement issue, which he usually forwards to the BudCom.

Mark mentions that several selectmen will be attending a regional dinner to hear more details about this issue. The selectmen have pledged \$1,500 towards LGC legal costs to pursue this problem. This is a runaway freight train and if not reigned in, it will cause a significant budget crisis. Mike states that this is an underfunded liability. Chris comments that there is disparity between state, town and employee costs. Mark stresses that they also need to change the employee benefits structure. Chris feels it is in the employee's best interest to put a cap onto these costs. There needs to be a defined contribution plan. There also needs to be some control over retirement funds for the future. Mark stresses that there should be some incentive for employers and employees to work together, otherwise towns will have to start reducing their workforce. The size of the problem is huge.

Mark states that it was mentioned at the school district meeting that the school budget is only up slightly, yet the tax impact from the school is way up. He asks if this is due to declining revenues. Bill B comments that there has been some loss of revenues. He finds it very difficult to understand how the tax rate is set. He would like to get a better handle on this, so they can more easily report this information. Mike comments that they cannot predict the tax rate with any degree of certainty.

Chris states that during the district meeting, they used existing revenue figures for the grant funding, yet these amounts are never set by the State until after this time. It is very hard to predict. He is not sure what the State is going to do this year and they may not know until May or June. Mark asks if the new apportionment formula was used to calculate the figures presented at the district meeting. Bill M states that the figures the coop presented were down. Chris comments that they should show worst case scenario figures with currently known items. Mike mentions that the state aid could go down and the county tax could go up.

Paul explains that the forms must be submitted to the State by the end of August and the tax rate is usually set in October. Bill M asks if the tax rate is set by using expected revenue and not actual revenue. Paul indicates that this is correct. Mike points out that there are several wildcards each year; state aid, town assessment, special education. Paul states that the selectmen are always very cautious with their estimated revenues. Bill B would like to figure out a formula to better understand how the estimated revenue is determined. Chris points out that the school is also now funding their maintenance trusts. These funds are not being used to offset taxes. He would like to discuss with the school business administrator and the town finance director how their revenue figures are generated. Historically he has had an easier time obtaining information from the town than from the school. Chris will add this to the agenda for next month.

Chris feels it would be helpful to have much of this information available to the BudCom ahead of time and not at the last minute right before the district meeting. Mike agrees that this should be estimated earlier in the process. He does not know of any new data that would be coming in during January to help with this. Bill B suggests having this available for the first presentation of the budget in December.

Bill B reports that he is the school board chairman again this year. Jim McCann is the vice chairman. Maura Loftus who presented the petition for the gifted program was elected to the school board. He mentions that this past year was overwhelming with so much going on at once; hiring a new superintendent, 2 negotiations, special education evaluation by the State, etc. With all these things happening, there were some items that did not get accomplished this year. He is hoping to have the gifted program looked into this year. Even though the petition was defeated, they are still going to establish a study committee to review this idea. The school

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board's responsibility is to make sure that all students are being challenged. The goal is to accelerate learning to beyond expectation. The committee will be made up of parents, administration and teachers. They will be looking for an effective model.

Other Business

Chris would like to set some goals for the coming year. Paul stresses that they need to get more people to town meeting. This year more information was disclosed and provided on the slides at town meeting, yet it was perceived as new information, even though it was thoroughly discussed at the public hearing a month earlier.

Chris would like to look into establishing a charter commission in Hollis. He agrees that there needs to be more participation in the budget process. Last year SB-2 was brought up, although he is not a supporter of this. He feels a charter commission and home rule could help with the process and would lead to more participation. They would need to be careful with getting into something like this, as a charter is strictly monitored by the State. More homework needs to be done on this. It is more of a selectmen issue rather than BudCom.

Chris states that he is not sure it is within the BudCom's purview to get more people to attend town meeting. He did not see much in the local papers about the meetings this year. Mike comments that volunteerism across the State is dropping. He feels they should do more publicity. Bob thinks that many people feel there is nothing they can do about it, therefore they do not care. Of all the registered voters in town, only 175 came to town meeting and only 77 came to the school meeting. Mike states that people are just too busy these days and do not have the time for this anymore. Mark is frustrated with the attendance levels. He comments that the lack of attendance could be indicative that people are satisfied with what they are getting for the tax dollar. He recalls a few years ago when 20 or so seniors from town attended a BudCom meeting, which helped to get the apportionment changed. This was very important.

Bill B mentions that the school board put together a voters guide this year, yet it came out too close to the district meeting. Next year they are hoping to have this available much earlier. He suggests having a BudCom newsletter going out in December or onto the web site to help inform the public. Mike agrees this may help, yet he is not sure it will actually help to bring more people to the meetings. Paul mentions the voters guide that is printed in Milford. This is a larger publication, with advertising space, therefore it doesn't cost the town any money to produce. Perhaps this is something Hollis could try.

Summer Meeting Schedule

After some discussion it was agreed to not hold a BudCom meeting in July.

Tom moves to adjourn. Seconded by Mike. Motion unanimously approved.

Meeting recessed at 9:30 pm.

Respectfully submitted,

Deborah Adams, Secretary