



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

**Minutes of August 12, 2014**

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Tom Gehan at 7:10 PM.

Members present: Tom Gehan, Mike Harris, Susan Benz, Tom Jambard, and Rosemary Mezzocchi - School Board Rep.

Pledge of Allegiance was recited.

**Approval of Minutes:**

Mike H. moved to accept the minutes of 6/10/14 as written. Tom J. seconded. All voted in favor. None were opposed. Rosemary M. abstained. Motion carried 4-0-1.

**Public Input:**

No members of the public were present.

**Town Report:**

No members of the Town were present. Tom G. discussed the 2013 Financial Statements for the Town. The unassigned fund balance increased to \$2,328,425, an increase of \$680,028 from prior year. The recommended fund balance level has been satisfied. Rosemary M. asked what happens with the fund balance at this point. Tom G. explained the unassigned fund balance can be used to offset taxes or to fund future projects in the Town as part of a warrant article.

Tom J. asked if there are any major expenditures planned for the 2015 budget. Tom G. stated that other than road rebuilding projects, there should be no other major projects. Tom G. also explained the long term interest rates are falling, which may make it attractive to refinance the Town's bonds. Deb Padykula is checking with the finance consultant to see if it makes sense at this point.

**School Report:**

Rosemary M. explained that the Superintendent is looking at the maintenance budget going forward. Also, because there are no negotiations taking place this year, the School District is forming a committee to research the different types of recognition or performance based incentives and setting up a fund for this purpose. Mike H. mentioned they need to look into the legal way to establish a fund for this purpose at the district meeting. Mike H. also asked if the committee was looking into the issue of competitive salaries. The Budget Committee discussed that Amherst, Brookline, Milford, and Nashua should be used for comparisons. Tom G. added that the complete benefit package should be considered in comparing other towns, especially health insurance.

Rosemary mentioned the School District may be looking at a different administrative structure and also full day kindergarten models. Brookline is starting this school year with a full day kindergarten model that the Hollis School Board will be observing. Tom G. had questions on the tuition policy. Rosemary stated the policy is still in process. The Budget Committee would like to discuss the tuition policy at a joint session with the School Board.

**Old Business:**

Tom G. reminded the committee the ongoing road maintenance discussion has been postponed to the September meeting.

**New Business: Update on Hollis Brookline COOP Apportionment**

Mike H. gave an overview of the last Coop Apportionment committee meeting. Specific formulas were discussed. One suggestion for a formula is to move from 100% Average Daily Membership (ADM) to 80% ADM and 20% equalized valuation. There were also discussions on incorporating capital costs (bond costs) at 50% ADM and 50% equalized value, and keeping operating costs at 100% ADM. The apportionment committee is not prepared to make recommendations, but is aiming to have three suggested formulas to present at the public forum scheduled for September 9<sup>th</sup> at the Hollis/Brookline Middle School. Tom G. stressed how important it is to calculate the costs of each formula at the public forum.

**Discussion and position re: COOP apportionment**

Tom G. wrote a letter in response to the request from the Hollis Brookline Cooperative School District, through its Apportionment Committee, to share the Budget Committee's position with respect to the question of the apportionment of the costs of the COOP school district between the towns. The letter states "The Hollis Budget Committee does not support any revision to the apportionment formula that would further shift operating costs to Hollis taxpayers, i.e. apportionment of operating costs at less than 100% Average Daily Membership (ADM). Despite the current apportionment of 100% ADM, the Town of Hollis pays a significantly higher share of COOP costs. This is because the method by which the State of New Hampshire calculates both Adequacy Aid and the Retained Education Tax relies on property values. In fiscal year 2015, Hollis will pay 41% more of the COOP costs while having only 20% more students. The Budget Committee does support a change to apportionment of future bonded capital costs on a 100% equalized value approach."

The budget committee discussed whether the bonded capital costs should include present and future bonds or only future bonds. Tom J. asked if there is any foreseen capital costs at this time. Mike H. stated there was a \$5 Million Bond and a \$3.5 Million bond at the last meeting. Tom G. believes the Coop School Board is starting at a clean slate for the possible capital projects. The Committee discussed amending the letter by adding a summary statement to the letter with the Budget Committee's position. The budget committee agreed to add a sentence to the letter to state they support the apportionment formula to be 100% ADM for operating costs and 100% equalized value for capital costs (bonded costs).

**Susan B. made a motion to adopt the Budget Committee's position as amended. Tom J. seconded. All voted in favor. Motion was approved 5-0-0.**

Tom G. suggested posting a link to the Town's website for the Coop Apportionment. The letter to apportionment Committee would be posted as well as the letter that was sent in May. He would also like to post the presentation created that illustrates the demographic changes in the two towns.

Motion to adjourn was made by Mike H. Susan B. seconded. Meeting was adjourned at 8:23 PM.

Respectfully submitted,

Deb Padykula  
Finance Officer