



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

**Minutes of October 9, 2012**

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Tom Gehan at 7:02 PM.

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

Also present: Deb Padykula - Finance Director, Eric Horton – SAU Business Administrator

Pledge of Allegiance was said.

Review of Agenda

Review / Acceptance of Minutes:

Mike H. moved to accept the minutes of 9/11/12. Susan B. seconded. Vote was unanimous in favor. Peter B., Frank G., and Tom J. abstained. Minutes were accepted.

Upcoming Meetings:

November 13, 2012 – regular BudCom meeting

Tom G. pointed out the meeting schedule for December which shows meetings scheduled three nights in a row. After some discussion, it was decided to cancel the regular Tuesday BudCom meeting for December. Tom G. agreed to confirm meeting start times with the other Boards. Chris H. asked about the SAU budget process schedule. Eric H. mentioned that no action has taken place on the part of the SAU Board toward preparing their budget. He agreed to relay any information on the proposed schedule as soon as he receives it from Bill Bearegard. Mike H. asked whether the BudCom should spend some time preparing budget guidance for the SAU. It was agreed to incorporate this discussion into the November meeting. Tom G. asked whether there is a budget subcommittee created for this year. Eric H. is not aware of what discussions have transpired between the Superintendent and the other boards. He said he has been working with last year's guidance to put some preliminary budget numbers together for the SAU. Chris H. also requested whether the SAU could, if possible, schedule their meetings so that they do not conflict with other BudCom meetings. Tom G. stated that he would include that request in his communication with Bill Bearegard.

Chris H. expressed concern over a vote that was taken at the April SAU meeting authorizing 3 year contracts with built-in raises and 2-3% COLAs each year for SAU staff. He felt that the BudCom should be aware of this in their guidance, since salaries make up the majority of the SAU budget. He also objected to the concept of salaried professionals pursuing negotiated,

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multi-year contracts, pointing out that it was not appropriate. Tom G. agreed to broach that subject with Bill Beauregard as well.

### Reports:

Town – Deb P. stated that as of the end of September, budget lines are expected to be approximately 75% spent. That is the case this year, with both expenses and revenues. The tax rate for 2012 should be set by the end of October.

Peter B. had some information from the previous night's Selectmen's meeting:

-Regarding the estimated cost of a town-wide statistical assessing update, which will involve actual physical assessments of only those properties sold in the last two years, the number will fall between \$85K and \$125K. This would be for a mandatory "statistical update" that occurs every 5 years. It must be performed by qualified, state-certified individuals. The town does not currently have anyone on staff in that capacity. The town would request bids for the work.

-On the topic of the compensated absences fund, with two known retirements coming up at the end of the month, the fund will likely be significantly depleted. Deb P. stated that the known amount to be paid out is \$18K. The balance of the fund is \$68K at present. A full-time firefighter is also leaving the department, which will involve an additional lump sum payment. And there may be another retirement anticipated next year. So replenishing the fund is something they will need to budget for.

-There will be an increase in funding for the NH Retirement System mandated by the legislature. This is expected to cost the town an additional \$50K for the year 2013.

-Updated estimates for work on the exterior of Town Hall are being pursued. The current ballpark estimate, including 25% contingency, is somewhere just shy of half a million dollars. This would include lead abatement, siding, windows, doors, masonry, etc. Much discussion ensued regarding the bundling of a few larger projects in order to take advantage of low bond rates. The goal would be to time any new bond to coincide with retirement of one of the existing bonds, which is next due to occur in 2014.

-A salary increase of 3% for non-represented staff would cost an additional \$35K.

Schools – Eric H. reviewed the status of the enrollment and staffing estimates for next year. The numbers are still quite preliminary at this time. He spent some time discussing the logistics of the maintenance/custodial staffing for HPS and HUES. There were no significant points of note on the financial reports this month. In response to questions on the water system, Eric H. said that the leaks have been identified to be within the run of pipe paralleling Rocky Pond Road. Another pressure test is planned for the end of the month which should narrow the search to within about 450 feet.

Frank G. discussed the progress made by the Benefits Working Group. Chris H. asked whether a plan would be negotiated in time for Town Meeting. Frank G. explained that the process is very complicated, but that their broker has been very helpful so far. They are not quite ready at this time to send out RFPs. He is optimistic that they will be ready in time. They have a meeting on Oct. 23 with another broker to review additional options.

Public Input: none

### New Business:

Final town budget guidance: Due to the number of unknown factors affecting the base budget for next year, it was decided to delay making a final guidance recommendation until the November meeting. In particular, estimates for the cost of the assessing update need to be fine-tuned. Chris H. asked Deb to provide him with the RSA which clarifies the frequency of the mandated statistical update.

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Preliminary Hollis District budget guidance: Enrollment numbers were discussed in regard to the number of sections at each grade level. Chris H. pointed out that the fourth grade level could be reduced by one section and still meet Ed. Specs for class size. Additionally, looking forward to future year projections, the trends show continued declining enrollment. Chris H. also mentioned the excessive number of paraprofessionals at each school, and wondered why this number was still so high. Eric H. stated the current FTE numbers for each school, which were somewhat lower than the numbers Chris H. had quoted. He also mentioned that staffing levels are expected to remain the same with the exception of elimination of the Director of Maintenance position.

Several questions arose regarding the budget draft, and several lines were clarified. At this time, some of the numbers in the document are simply place holders. Much discussion ensued around the details of the guidance spreadsheet, mainly on negotiated salaries, and comparisons between FY2013 and FY2014 budget lines. Chris H. asked to be provided with justification for the high number of non-SpEd paraprofessionals. Also, more clarification is needed on the reason behind the 3% increase in the salary lines (286 and 287).

Peter B. asked whether the schools could come in significantly under budget again this year, similar to last year. Eric H. said probably not. This is largely because health insurance costs were forecast more accurately for 2013 than they were for 2012. Also, the classroom teachers line came in lower, as well as FICA, out of district transportation, ABA therapy, heating, snowplowing, and many additional smaller items.

Susan B. asked for more clarification on significant increases in certain lines; discussion followed regarding how grant funds were allocated and tracked.

Mike H. stated that he would not support any increase in the budget for next year. If anything, the budget should decrease. Tom G. reminded them of the increase in NH Retirement for next year of \$126K, which will likely absorb any potential decrease in the overall budget.

After much discussion, it was agreed that preliminary guidance was to reduce the budget by \$100K from last year. Mike H. moved to set the preliminary guidance budget at \$10,023,000.00. Susan B. seconded.

All voted in favor. Motion passed unanimously.

Tom G. asked Eric H. to follow up with the question of "Sanbornization" of the 2<sup>nd</sup> year costs. Eric H. stated that he would be in touch with Atty. Drescher this week.

Motion to adjourn was made by Peter B. Mike H. seconded. Meeting was adjourned at 9:55 pm.

Respectfully submitted,

Barbara Kowalski, Tax Collector