



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

### **Minutes of October 25, 2011**

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

Members present: Chris Hyde, Chairman; Mike Harris, Susan Benz, Tom Gehan, Tom Jambard, Frank Whittemore, Rob Mann

Also present:

#### Review and acceptance of Minutes of September 27, 2011

Mike H. moved to approve the minutes as written, including corrections by Tom G. Tom J. seconded the motion. All voted in favor, with Frank W. and Rob M. abstaining.

#### Town Report

No one was present to give the town report.

#### School Report

Rob M. referred to the Hollis End of Year Analysis dated 9/14/11. Mike H. asked about the unencumbered fund balance. The budget balance was \$566,479, of which \$121K was encumbered, leaving \$445K. There were questions regarding the encumbered amounts, followed by discussion and review of the numbers. The BudComm expressed concern over the number and type of encumbrances. It was felt that the stated purpose of many of the encumbrances listed was not valid. The BudComm requested further clarification from the School Board, since it appeared that the data in the spreadsheet may be in error. Chris H. asked about how the class sizes have shaped up since the start of the school year. Rob M. stated that the classes have all been +/- one or two based on projections, so that has not been an issue. A first estimate of the upcoming budget was not available for this meeting. Rob M. anticipated that firmer numbers will be available following the next school board meeting, which is slated for Nov. 9. Rob M. then commented on the status of the water system leak. A pressure test has been conducted which has not shed any further light on the location of the problem. The next step will be to hire a clerk-of-the-works to carry forward. Chris H. mentioned that the town has discovered a potentially sufficient source of water for its' own demands, and there is an operating well at the high school. His point was that the need for water beyond that of the elementary schools could potentially go away, and that it may not be worth investing more money into the existing system at this point until these other options have been thoroughly investigated. Chris H. asked about Websense and whether the school is getting its' money's worth out of the data reporting system. It seemed to be less than expected. Chris H. asked whether the school should return the product and obtain a refund. Rob M. stated that his opinion is that the product is only in phase one of its development, and that it will have far greater capability in the future. He recommended bringing a technical representative from Websense in-house to fine-tune the products' capabilities to suit our needs. Rob M. mentioned the factfinders report recommendations. He stated that the recommendations had not been costed out pending results of ongoing negotiations. It was felt by the BudComm members that it

## Budget Committee Minutes October 25, 2011

would be worthwhile to know the cost of the factfinders recommendations, regardless of progress on a negotiated settlement. Rob M. stated that he would see if this could be done.

Rob M. also mentioned that due to the embedded nature of the available data, he did not have a specific needs list from the administration that was in any sort of useful format at this time. He should have it prior to the next BudComm meeting.

With regard to school activities funds, Rob M. stated that accounting data is not presently available. It was suggested that the school board and BudComm should be aware of the magnitude of these accounts as well as activity on them.

Chris H. asked whether Rob M. felt that enough time on the part of the SAU Business Administrator (BA) was being devoted to budget related issues. Based on Rob's report, it appeared that the school data falls well short of what was expected in the established budget guidance timeline. Rob M. stated that there is no available accounting of what resources are devoted to budget development. Mike H. suggested that the BudComm might need to develop its own budget for the school district this year, due to lack of responsiveness on the part of the SAU. It was strongly suggested that the BA be present at the BudComm budget review meetings, and that the Superintendent should be represented as well. Rob M. offered to take a "short list" of required data back to the BA and request that the information be made available before the next BudComm meeting.

Chris H. asked whether the annual audit had been completed. Rob M. was not aware of the status. Chris H. stated that they would like to be included in the audit review at such time as it is scheduled to take place. Rob M. thought that the audit was supposed to have been completed by mid-October, prior to submitting the MS-25 to the DRA. Chris H. asked to be given a copy of the MS-25.

### Earley Building Report

Mike H. reported that the committee voted to save the building. This would involve "mothballing" it until such time as funds become available to restore it. They would like to set up a building committee that would be tasked with developing plans and estimates for restoration, and for soliciting grants and donations. The cost of mothballing is estimated to be \$200K. The intent would be to restore the exterior to the 1904 version, which would result in an interior space of approximately 11,000 sq ft.

### Town Healthcare

Mike H. gave an update on the status of the medical benefits committee. The committee agreed to offer a new, high-deductible health plan along with a healthcare savings account. This should be a better plan for the employees, at a lower cost for the town. In addition, the town would provide a matching contribution to the HSA and would cover the full cost of the deductible for the first year. The amount of the premium contribution to be paid by the employee is still under discussion. Mike H. suggested that the BudComm take a position on the subject. This would help guide Mike's participation on the committee.

### SAU Budget

Tom G. stated that the committee met on Oct. 4<sup>th</sup> and draft minutes are available. They did not have a quorum so were not able to elect officers. Tom G. mentioned that the proposed budget was discussed. His impression was that the budget seemed "fat", on the order of 2.5% increase. Two new positions were proposed, in addition to the 2.5% increase. Chris H. asked what the timeline was for public hearings. Tom G. stated that the next meeting of the committee is 11/4/11. At that time the committee will have to finalize the proposed budget for presentation to the SAU board on the 11/14/11. Next on the agenda will be public hearings. Chris H. asked Tom G. to send him the dates so they can be incorporated into the BudComm calendar. Mike H. mentioned that the committee could meet again after the SAU board meeting to discuss the final budget and make further recommendations.

### Public Input

Laurie Miller (Forest View Drive) stated that she is among a group of parents who would like the BudComm to know that they are very satisfied with the way the schools have been performing. They would even be willing to pay a little more in taxes if that was needed to keep the quality of the education high. She would,

## **Budget Committee Minutes October 25, 2011**

however, be in favor of “cutting out overhead that is not teaching”. She does not want to spend money frivolously, but is in favor of maintaining the current quality level of education in Hollis. Two other parents (Tanya Tenkarian- Alsun Drive and Tammy Fareed- Winding Valley Road) commented as well in agreement with maintaining the high quality of education. Their goal was to provide a counterpoint to the numerous requests for budget reductions.

### School Budget Guidance Discussion

Chris H. presented and reviewed enrollment data against cost per student, full-time equivalent (FTE) staff levels, administrative staff, and FTE per student. The analysis was for regular and special ed populations. He also presented some data for electricity consumption, which shows overall electricity usage is up since last year. This is believed to be a direct result of the new air dehumidification/purification unit at HUES, which runs 24/7.

At that point it was decided, due to the lack of data, to postpone to the November meeting any further discussion of the Hollis school budget.

Chris H. stated that he had not received confirmation that the budget calendar is set. He will be sending out another email. Rob M. said he will look into that as well.

Next Scheduled Budget Committee Meeting – Tuesday, November 22 at 7pm

The expectation is that the remaining data from the school needs to be produced within two weeks. Otherwise the BudComm will begin the process of developing the school district budget on their own.

Motion to adjourn was made by Mike H. Tom J. seconded. Meeting was adjourned at 9:35 pm.

Respectfully submitted,  
Barbara Kowalski, Tax Collector