



BUDGET COMMITTEE
Town of Hollis
Seven Monument Square
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Minutes of November 22, 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, Peter Band, Susan Benz, Tom Gehan, Tom Jambard, Frank Whittemore, Rob Mann

Also present: Liza Allen, Candi Fowler

Review and acceptance of Minutes of October 25, 2011

Mike H. moved to approve the minutes as written. Susan B. seconded the motion. All voted in favor, with Peter B. abstaining.

Town Report

Peter B. stated that with a few areas over and a few areas under, the net operating budget is over by approximately \$30K. This is expected to come out of the contingency for management services at year end. An additional \$43K over what was budgeted will be coming from the state for rooms and meals tax. The tax rate dropped \$0.56 per thousand, which converts to a 2.6% decrease on tax bills. The board of selectmen has been working with the department heads to meet the guidance of a flat budget. At this time they are approximately \$100K over target. However, discussion will be ongoing during the time remaining before the first review.

School Report

Rob M. stated that the school board had its first review of the draft budget. This generated the second draft, which will be the focus of discussion at tonight's meeting. The most recent copy of the audit report was circulated to the BudComm members. A clerk-of-the-works is in place to handle water leak investigation. Further hydrostatic testing is being scheduled and more information will be available at next months meeting. The boil-water order was lifted. The source of the bacteria is not known at this time. However, it was determined that the well itself was not contaminated, and further investigation is ongoing.

Farley Building Report

Mike H. mentioned that there will be a warrant article to mothball the building (at a cost of \$200K), which is not supported by the selectmen.

SAU Budget

Tom G. stated the SAU budget subcommittee recommended a slight reduction of the budget to the SAU board of 0.26%. The SAU board requested the addition of a new part-time (20hrs/week) position in the business office, which would result in a net increase of 1.03%. The subcommittee plans to meet on Dec.5

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to develop its final recommendation. This is prior to the SAU public hearing of Dec. 13, where the budget will be voted on.

Review/Change of Public Hearing Dates

Chris H. brought up the date conflict between the BudComm and SAU board meetings on Dec. 13. He proposed that the BudComm move its meeting to Wednesday, Dec. 14 at 7 PM, which will be a shared meeting with the Hollis School Board. This will serve as the first review of the budget. Mike H. made a motion to reschedule the first review of the Hollis School budget from Dec. 13 to Dec 14. Susan B. seconded. All voted in favor, none opposed, no abstentions. Motion passed.

Chris H. also discussed an additional conflict of public hearings in February, and suggested that the Town and School dates be swapped. He proposed that the School hearing be Tuesday Feb. 7, and the Town hearing be Wed. Feb. 8. Mike H. moved that the dates be swapped as proposed, Susan B. seconded. All voted in favor, none opposed, no abstentions. Motion passed.

The final suggestion that Chris H. had was to move the regular meetings to the second Tuesday of the month to avoid conflict with the Brookline School Board meetings, which are also on the fourth Tuesday each month. He proposed that this change be effective after the current budget season. The purpose would be to allow SAU board members to attend the BudComm meetings. No vote was held at this meeting.

Public Input

Kelly Weimer (111 Wright Road) supported keeping the high caliber of the education system. She stated that her son was in a 3rd grade class of 24 students last year, and that it was not an optimal learning environment. She requested that in the Hollis district, classroom size be limited to 20 students. In situations where that is not possible, she suggested that additional trained staff be made available to assist in the teaching of challenging material

Bob Houvener (9 Emerson Lane) suggested a range of 20-22 children per classroom. He would not object to tax increases in order to support top quality education in Hollis. Holly Babcock (113 Hayden Road) wanted to agree with Bob and said that she is more concerned with property values than property taxes. Good schools keep the property values high. Tammy Fareed (9 Winding Valley Road) asked how the 3% drop in her tax bill was achieved. Chris H. stated that it was primarily due to a decrease in the COOP budget. Tammy stated that the schools are the primary asset of the town and need to be kept top-notch in order to maintain every homeowner's investment. Laurie Miller (14 Forestview Drive) said that she agrees with everything that everyone has said. She cautioned the BudComm not to focus too much on maintaining a certain cost per pupil. She stated that you have to expect the cost per pupil to rise a bit as the population drops due to the negative economy of scale.

Martha Wood (113 Pine Hill Road) also agreed and stated that she would support an increase in taxes in order to invest in the schools.

Hollis School Budget Guidance Discussion

Review of Data – History & Forecast – Students, Staffing, Special Education & Regular Education Costs, Cost comparisons & trends, etc., Comparisons to other districts:

Chris H. discussed data from a Powerpoint presentation covering the last nine years. The slides are available on the Town of Hollis website (hollisnh.org) as a link from the budget committee page.

A good portion of the discussion centered around the SPED and early intervention programs and cost drivers. Peter B. asked what the budget number would be to maintain the current programs in the Hollis district. The initial projection would be a cost reduction of \$290K, or approximately 3%. Peter B. made a motion to recommend to the Hollis School Board to use a 3% budget reduction as guidance. Mike H. seconded. Mike H. utilized a calculation method which reduces the budget by the percentage decline in enrollment and then increases it by the inflation rate. This coincidentally resulted in an approximately 3% decrease in the budget.

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Tom G. brought up the subject of encumbrances and whether some of the proposed expenditures were appropriate. It was mentioned that the unreserved fund balance was \$550K, which was felt to be too high. Normally, \$100K is considered to be a reasonable number for contingency. The BudComm questioned why the fund balance was so high. It was concluded that many lines were either under or overspent significantly, including building maintenance, benefits, SPED, and several others. Some time was spent trying to track down how the final number was arrived at. No conclusion was made at this time. Peter B. moved the motion. All with the exception of Chris H. voted in favor. Chris H. voted against. Motion passed 7-1-0

Motion to adjourn was made by Mike H. Peter B. seconded. Meeting was adjourned at 9:15 pm.

Respectfully submitted,
Barbara Kowalski, Tax Collector