



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

Minutes of December 12, 2012

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Tom Gehan at 7:05 PM.

Members present: Tom Gehan, Mike Harris, Susan Benz, Peter Band, Tom Jambard, Frank Whittemore

Also present:

Hollis School Board: Rob Mann-Chairman, Debbie Pucci, Frank Giudici, Bernard Mizula

SAU41 Admin: Eric Horton- Business Administrator, Susan Hodgdon - Superintendent, Amy Rowe - Director of Student Services

Liz Allen - HPS Principal

Candi Fowler - HUES Principal

Pledge of Allegiance was said.

Review of Agenda

Reports:

Hollis District: Eric H. had no comments to make regarding the status of the current year's budget.

SAU Budget Subcommittee: Susan B. presented the proposed SAU budget of \$1.385MM, which is an increase of 3.48% over last year. She wanted to remind everyone that the default budget, in the event this one is voted down, will actually be \$3K higher. The SAU Governing Board voted 9 – 2 in support of the proposed budget. Eric H. will look into cost saving options for the health insurance line, which could bring the budget number down further. Susan B. mentioned that the subcommittee recommended the board remove the automatic 3% COLA from employment contracts, and move toward merit increases instead. Eric H. stated that possible savings in the health insurance line based on lower-cost plan options could range between \$13K and \$50K. There is a benefits working group that is also pursuing the same information.

Susan B. stated that the SAU Governing Board meets next on Dec. 20, which is the night for public input, and the board plans to vote on the final budget at that time.

Budget Review:

Tom G. stated that the latest version of the budget appears to be \$22, 537 over guidance. Eric H. reviewed some of the changes that occurred to arrive at the current numbers. The big items driving the budget up are health insurance and the NH Retirement System. It is anticipated that staffing levels will remain constant. Some savings in the salary line are achieved due to shifts in full and part time positions. A

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reduction of \$80K occurs because the District is now back in line with the long term plan for scheduled computer upgrades. Other various changes were discussed in some detail.

The next discussion concerned student enrollments and class sections. The BudCom had some questions regarding number of sections projected for 4th grade. NESDEC and current enrollment numbers were discussed. It was recognized that it is still early in the process, and that final decisions can be made later on. Also, the contingency fund can be utilized in the event that the number of class sections is underestimated in the budget.

Eric H. discussed the Capital Improvement Plan for the School District. The methodology for saving for a future roof replacement was argued. Potential grant money available for energy saving projects was mentioned. Eric H. stated that he was meeting with town and energy committee representatives to discuss which projects would be appropriate for this year.

Eric H. reviewed the warrant articles. Much discussion centered around a new RSA which provides for a School District Undesignated Fund Balance. This Fund Balance is capped at 2.5% of the current year's budget.

Public Input:

Tammy Fareed (9 Winding Valley Rd) mentioned that she is concerned about the potential of very large class sizes in the 4th grade. Her fear is that this would adversely affect the teacher's ability to keep gifted children adequately challenged.

Bob Houvener (9 Emerson Lane) asked whether enrollment projections factor in the number of new housing starts in town. It was agreed that the NESDEC numbers do take into account building permits on new single family residences.

Rob Mann asked whether the BudCom will take a position on the debate in the SAU budget subcommittee regarding COLA's versus merit raises for SAU staff. Mike H. stated that the BudCom agreed last year that it would be in favor of a merit pool rather than a COLA. Frank W. asked whether it would be possible to find out from other communities how to make a merit based program work, because in past experience in Hollis it has not been very successful.

Upcoming meetings:

Wednesday Jan. 9, 2013: 2nd review of School Budget

Monday, Feb. 4, 2013: School District Public Hearing

Monday, March 18, 2013: Annual District Meeting

Motion to adjourn was made by Mike H. Tom J. seconded. Meeting was adjourned at 8:50 PM.

Respectfully submitted,

Barbara Kowalski, Tax Collector