

BUDGET COMMITTEE

Minutes of January 11, 2005

Meeting was held in the Community Room, Hollis Town Hall and was called to order by Chairman, Mike Harris at 7:30 PM.

Members present: Mike Harris, Chairman; Melinda Willis, Vice Chairman; Vahrij Manoukian, Selectmen Representative; Anita Moynihan, School Board Representative; Scott Bartis, Mort Goulder, Chris Hyde; Deborah Adams, Secretary

Also present: Lee Ann Blastos, Business Administrator; Carol Thibaudeau and Gail Paludi, Principals; Ken DeBenedictis, Superintendent; Doug Cleveland, Kathy DeLacy, Janet Listowich, School Board Members

Mike reads letter of resignation from Jim Belanger to the Board. He was concerned about a perceived conflict of interest with his role as both BudCom member and Moderator. This resignation is effective immediately. There are 2 more years left on his term. This 2 year term will be on the ballot in March, along with 2 openings for 3 year terms. Mike suggests not appointing anyone to fill the remainder of the 1st year of the term, as anyone new would be coming on board in the middle of a budget review and would not be privy to the details that have already been presented by the School and Town.

Melinda moves to accept Jim Belanger's resignation with deep regret. Seconded by Chris. Motion unanimously approved.

Second Presentation of School Budget – LeeAnn Blastos

Anita mentions that the School Board worked hard to examine the budget again. She is pleased with the results.

LeeAnn presents handouts to the Board. The first page shows, by date, changes that have been made to the budget as the result of School Board meetings. Many changes have been made since the 1st presentation. The amount budgeted for the language arts program has been reduced based on recent quotes from publishing companies. The only hole that still exists is the support staff negotiations, which is still ongoing. The second page is an updated new positions list, which is now at \$111,000, reduced by \$8,000. The third page is the updated revenues.

Mort arrives at this time.

LeeAnn explains that they have moved a 1st grade teacher into contingency. Anita explains that 1st grade registration will be held February 8th. The number of incoming 1st graders can fluctuate widely. If they remove this teacher entirely, they are in danger of being over education specifications if there are too many students enrolled. Therefore they have placed this position into contingency, so that if the figures are low enough they will not hire this teacher, yet if there are enough students the funds are available to hire. She stresses that it is very possible they may not need to hire. Mike questions the 2nd grade teacher. Anita states that this position was removed as it was not needed.

Ken points out that the reductions that were made are to teachers, programs and materials. He stresses that these are substantial reductions. Melinda questions the teacher that was moved into contingency. According to the 11/16/04 budget book, there was \$50,000 in contingency. This was increased by \$30,000 back in December. Now an additional \$57,000 has been added to contingency. Anita states that the \$50,000 and the \$30,000 are different kinds of contingency. \$30,000 of this is for special education. Mike asks if there are multiple contingency accounts. LeeAnn explains that there is only 1 contingency account, yet there are different amounts placed in this account for different needs. She reminds the BudCom that this account was reduced to only \$50,000 several years ago. This year, Bob Kelly, Special Education Director, requested an additional \$30,000 be placed in contingency for special education. Now another \$57,000 is being added for the 1st grade teacher. Historically any monies not expended from this account are given back to reduce taxes. This will again happen. Mike reiterates that the contingency account will now be at \$137,000.

Scott questions the issue of Medicaid reimbursement. LeeAnn explains that Bob Kelly met with Granite State Billing who will be handling all of the Medicaid billing. They indicated that although they had hoped to have figures for us at this time, there is some difficulty with disclosure for several of the students, therefore they need to proceed cautiously. Since this is a revenue source, they will not be able to forecast this correctly for next year. She will get this information to the BudCom as soon as it is available.

Anita points out that although they are still \$36,000 over the BudCom's guidelines, they have made some great strides since the last meeting. The School Board is still working on making a few more reductions. They have a meeting scheduled for Thursday night, where they plan to continue making changes. Mike comments that they appear to be heading in the right direction. The budget is now within striking distance from the guidelines. Anita points out that this figure will most likely change, as they are still in negotiations with the support staff. She has used last year's figures as a placeholder in the spreadsheet for this year's budget. Mike cautions that it is not a good idea to use placeholders.

Mort questions if this budget is based on the same # of students in the schools. Ken explains that there will be 23 less students. Anita mentions that the exiting 6th grade class was the largest in history. Ken states that they have already reduced 1 6th grade teacher based on this. Mort questions if

any changes are being proposed to the foreign language program. Ken explains that they will be maintaining the same program for the coming year. Currently they are offering foreign language 2 times per week at 30 minutes per class. The plan is to ultimately increase this to 3 times per week, still at 30 minutes per class. Making an increase such as this would require additional staffing. He does not believe the district is ready for this at this time. They have not satisfied what they should be doing with the existing staff. This will be reviewed again next year, for the subsequent year's budget. He would like to phase in another teacher at .5 per year. Mike questions what they should expect when this program has been fully phased into the schools. Ken explains that the children should have received the comparable of a 1st year Spanish program when exiting 6th grade. At this time, Spanish is the major thrust, yet they will examine transitional work for French at the 6th grade level. Janet adds that there is also a time factor involved with increasing this program. Adding additional class times, would involve eliminating other class time. Mike comments that he understood that this had already been accounted for with the increased hours at school that was approved a few years ago. Ken stresses that the day is already very full.

Mort asks if anything has been done to handle the health insurance internally. LeeAnn indicates that there is nothing new to report on this at this time. She questions if the town has proceeded with this. Debbie explains that the town has started the process. Employees had the opportunity to sign up for the new program last week. It will start February 1st.

Chris questions the status of the preschool program. Ken states that they would like to incorporate the program into the regular education program. Currently they have ages 3-5 in an out-of-district program. He feels that these children can be handled in-house. This would serve to connect them with the 1st grade program as well. This is very positive, with very few negative aspects. He sees this as an extension of the special education program. Mort questions how the parents feel about this proposed change. Ken explains that they are currently polling the parents to get their opinions. Scott questions how many parents would have to agree in order to proceed with the change. Ken states that he would like to see 12 special education and 12 regular education students for the program. There will be a morning and an afternoon class with 12 students in each. He mentions that the percentages are mandated by the State.

Janet mentions that they have been informed of students that are currently 2 years old that will need services next year. They do not know their names, only their need. Therefore they cannot poll these parents to get their opinions. There are also several students that will be moving up into kindergarten, so those parents will also not need to be polled. Chris asks about the number of students needed that will make this successful. Ken states that if the program is as successful as they hope, all out-of-district students will participate. The first year they may not have all students, yet they are hopeful that this will increase in the following years. Melinda asks if any renovations to the school will be needed. Ken indicates that they will be able to utilize existing space within the school.

Scott comments that they cannot force the parents to agree to the change. Ken states that it is their hope that the program will be so successful that the parents will want to bring their children. They anticipate being able to handle all needs, regardless of what they are. Scott states that if they do not know the names of the 2 year olds, it is impossible to know the exact needs. It is conceivable that they will not be able to handle these needs. Ken comments that most other towns in the area already have an in-house preschool program; Milford, Amherst, Nashua. Mike comments that Milford doesn't have a kindergarten program. LeeAnn agrees, yet they do have a preschool.

Mike comments that he would prefer this to be listed as a separate warrant article. Janet states that she has looked through town reports back to the 1980's and did not find any new positions listed as warrant articles, except for a few new coordinators. She stresses that there have been many new positions created in the last 24 years. She does not want to change how this has been done in the past. Melinda states that French was handled as a warrant article. Janet states that she only looked for new positions, not new programs. Melinda points out that the French warrant article also included new teachers. Mike states that he has not done this research, yet he recalls many debates on having this as a warrant article.

Doug stresses that this is not a new program and that there is no cost change associated. Chris argues that this is new to Hollis, therefore it should be thoroughly explained. Janet stresses that if this is listed as a separate warrant article, there is a risk of it being voted down. If this were to occur, there would not be money in the budget to service these special education students. The must have this money in the budget. Melinda states that they could always change the operating budget from the floor to accommodate this. Mike stresses that if this is explained properly at the meeting, there will be no problem getting this approved. Anita state that they will take the BudCom's comments seriously, yet they still need to discuss the issue. Whether this is included within the budget or listed as a separate warrant article, the preschool will be thoroughly explained to the voters at the meeting. The presentation will be the same either way these funds are listed. Mort jests that the audience at the school district meetings are always so full. Melinda comments that if this were listed as a warrant article, there will be more publicity, therefore more people may attend the meeting. If this is placed within the budget, not many people will show up.

Mort questions if they intend to consider the idea of self funding insurance for next year. Ken states that they will have to discuss this idea with the various negotiation teams.

Vahrij arrives at this time.

Mike comments that it will be interesting to watch how the town works with the self funding insurance. Mort states that he has done some research on this and found that many small businesses have had great success with this.

School Report – Anita

Anita reports that there was recently a fire at the primary elementary, which heavily damaged one of the boilers. Doug comments that luckily the fire occurred when there was no school in session. The fire chief happened to be at the building performing routine inspections with the building/grounds supervisor. Smoke was noticed coming from the boiler room. Fortunately, no other significant damage was done to the school. The damage was contained to the boiler and various associated parts/pieces. They have recently met with a mechanical contractor to discuss the repairs or replacement. Anita explains that the boiler was 20 years old, at the end of its life expectancy. The repair costs would have been \$14,000, while the replacement cost, including a guarantee will be \$28,000. They have decided to replace the boiler, which should be completed by next week. It is unknown at this time what they will receive from the insurance company. Any additional expenses will come from contingency. LeeAnn states that she has already filed a claim with the insurance company. The adjuster has assessed the situation, yet has not filed a report yet. She explained that the boiler apparently malfunctioned, spilling oil from the unit. When the boiler attempted to fire off, a spark ignited the oil. She stresses how fortunate they were to have the fire chief in the building at the time. There was much smoke, which appropriately set off the fire alarms. Chris comments that they had discussions regarding boiler replacement a year ago. LeeAnn explains that those were located at the upper elementary, not the primary school. Those were also burner replacements at \$5,000 each and not the entire boiler, which is much more costly.

Town Report – Vahrij

Vahrij mentions that the Selectmen met last night with the Land Protection Study Committee. The LPSC have requested another \$3,500,000 for a bond for this next year. The Selectmen felt that they have not studied the proposal enough yet, therefore they have not taken a position. At this time the bond for town facilities is the priority. That will be the 1st warrant article presented at town meeting, the bond for land purchases will be 2nd. He agrees that the LPSC made a good point that if no money were made available this year, the committee may fall apart. He also feels that the Committee should support the Selectmen's priority for the town infrastructure. He feels they should cooperate and work together.

Mike calculates that they should expect a \$1.41 tax rate increase with the amount that has already been bonded for land and the middle school. Vahrij comments that the special town meeting proved that the town does not care about spending this money. Mike points out that it has not hit the tax bills yet. These will all hit in the same year. He is also suspicious that the school grant money will diminish. He stresses that the town cannot continue depending on this money, yet they keep approving the spending. Vahrij agrees that the people in this town keep spending money.

Mort comments that there are 2 kinds of expenditures in town. Normal expenditures and investments. If the money is invested it will raise property values. Some people in town are not bothered by taxes. He feels that the people that object to taxes have a cash flow problem, not an asset problem. He feels that the town should not forgive peoples taxes, yet should mortgage it back to the residents. Mike is not sure if this is legal. Vahrij states that they currently have a welfare program. When people have a money flow issue, the town is mandated by law to offer some assistance. The Selectmen will place a lien on their homes, yet the people must agree to this. Some agree, yet some do not. This is handled through the welfare system, not the town acting as a mortgage company or bank. He stresses that he does not wish to see people leave town because they cannot afford to pay taxes.

Vahrij mentions that the town has recently donated reward money of \$11,116 to a child advocacy center in Nashua. This center deals with children involved in sexual assaults or abuse. He stresses that more than 10 incidents of this sort happened Hollis recently, yet this is not publicized due to child protection laws. He is pleased that the town can assist with this important program

Scott moves to adjourn. Seconded by Chris

Next Meeting will be held January 20, 2005 at 7:30 PM in the Town Hall Community Room for the second review of the Town Budget

Meeting adjourned at 8:40 PM.

Respectfully submitted,

Deborah Adams, Secretary