

BUDGET COMMITTEE

Minutes of November 27, 2007

Meeting was held in the Community Room, Hollis Town Hall and was called to order by Vice Chairman, Chris Hyde at 7:38 PM.

Members present: Chris Hyde, Vice Chairman; Melinda Willis, Selectmen Representative; Bill Beauregard, Hollis School Board Representative; Tom Jambard, Bob Labednick, Mort Goulder; Deborah Adams, Secretary

Also present: Paul Calabria, Finance Director

Review of Minutes

Melinda moves to approve the Minutes of September 25, 2007. Seconded by Bob. Motion unanimously approved with Tom abstaining.

Tom moves to approve the Minutes of October 23, 2007. Seconded by Bob. Motion unanimously approved with Chris and Bill abstaining.

Town Report

Melinda states that the budget is currently tracking well. They have been working hard on the budget for next year. They have come up with some good ideas to positively affect the budget. She feels they will be good for the town. The budget will not be the 1.8% recommended by the BudCom, yet it will be as close as possible. There are still a few items to iron out. There are contracts with subcontractors that they are looking at and they are also waiting for a report from the Health Insurance Advisory Board.

Paul adds that some items are over budget. He has asked for any encumbrance requests to be submitted by December 3rd. The departments have been asked to look at their equipment needs as we go forward. They are looking into different financing ideas for the future, which includes the possibility of lease payments. Chris questions why they would want to lease. Paul explains that right now the lease percentages are very attractive. If the town can lock in this rate for 5 years, there will only be a \$1.00 buyout at the end. The lowest rate right now is at 3.79%. It is something for them to look into. This would be moving away from capital reserve accounts. Any monies left in those accounts would be used for down payments. Mort is not sure they would be able to get a better financing rate than what the town is already getting. He is not sure about leasing. Chris comments that it also depends on the manufacturer.

Mort heard a report that the Town has increased the number of employees by 35% over the last 5 years. Paul agrees that this is possible. After looking up these figures, Paul reports later in the meeting that there were 16 union employees in 2002. There are now 26 union employees for 2007. The 35% increase is accurate.

Melinda announces that Friday morning the Selectmen will be meeting to wrap up figures for the 1st budget review. Two of the selectmen will not be available for the scheduled 1st presentation of the budget on December 11th, therefore they would like to move that meeting to this coming Monday, December 3rd. They will hold their normal Selectmen's meeting until 7:30 pm, then hold a joint meeting with the BudCom. Chris does not have a problem with this change. All BudCom members agree to this schedule change. All indicate they will be able to attend.

Chris asks if the BudCom will be provided with any data prior to the meeting on December 3rd. Debbie states that they normally receive the information the night of the presentation. Melinda indicates that while they should have the numbers ready on Friday, she will need time to compile the presentation. Chris would prefer to have time to review the data prior to the meeting, so he can ask intelligent questions.

Paul states that he is still waiting for a quote on the VOIP phone system. They will be breaking out communications separately. He is still looking into postage reductions. He is waiting to hear if the US Postal Service will accept barcodes from our postage machine.

Tom feels it will be worth looking into lease agreements. He would like to look at many options. They may have the ability to get more pieces of equipment with less maintenance costs this way. Melinda does not want to look out 5 years and lease all 5 year's worth in the 1st year. They will be able to obtain the first couple of years. Chris points out that they will also be losing the interest accruing on the capital reserve accounts. He wants them to factor this in as well. Paul indicates that they are looking to keep the payments as level as possible.

Chris mentions that tax payments are due Monday, December 3rd. He questions whether these tax bills reflect the new assessments. Melinda explains that the bill reflect the updated tax cards, yet the statistical analysis has not been performed yet. This will be done next year.

School Report

Bill mentions that the contract negotiations for support and professional staff are moving along. The budget preparations are going well so far. Their next school board meeting will be on December 12th. They will begin holding these meetings here in the Town Hall Community Room. These meetings will all be televised. There are many items on the agenda for that night.

Bill announces that the Superintendent was recently awarded a scholarship to attend an EPA symposium in Washington DC on December 6th. The symposium will be focusing on improving the indoor air quality in schools. The sessions will be on a variety of topics. As a member of the National Superintendent's Association, he wrote a grant proposal for reducing emissions on our school buses. This scholarship is part of that grant. The date of this symposium conflicts with the original date of the SAU public hearing, therefore the public hearing has been changed to December 11th.

Bill reports that the assistant business administrator recently stepped down for personal reasons. She is still working part time in a different capacity. They have just hired a replacement. The business administrator has been very busy building 4 budget models for the 3 school districts and the SAU. She is still playing catch up with the BudCom reports. They should expect to receive double for next month.

Bill has been researching the conflict with school population vs. fte (full time equivalent). He has discovered that the last time any reports were generated using the fte figures was the year prior to his coming onto the school board. This explains why he has no experience with those figures. For the past 3 years the school has not used any fte figures. When looking at the 1997 – 2003 data, all fte figures used 50% for kindergarten students. Out of district placements were not included on these reports either. Those are reported to the State differently.

Bill presents a spreadsheet he created showing enrollment back to 1997. The figures shown on lines 3 & 4 indicate the school capacity. Chris questions the figures shown for pre-K children. He would like to know the breakdown of regular instruction vs. special education students. Bill estimates this to be about 50/50. He points out that line 29 shows kindergarten and pre-K as 50%, since this is only a ½ day program.

Chris wonders how the % would look if they only include those students that are mandated to be in the school and not including those that are paying tuition. Bill states that this would not make much difference. Chris adds that in 2005 – 2007 there are pre-K students that are not mandated for special education, yet those students are included in the figures. Bill states the he could break out line 8 (pre-K) as identified and non-identified. Chris agrees that this would help. He feels that including these other students skews the numbers. These are students that are being allowed into the school, yet we are not mandated to educate. The reduction in student population is really lower than what is being reported on the spreadsheet. Mort stresses that this is not a big enough number to worry about. Bill comments that this is really insignificant. If those students were removed it would only reduce the number by less than .1%. This is too small a number to be concerned with.

Mort states that this spreadsheet shows him that they could reduce the staff by 1 teacher this year. Bill stresses that they have already done this. He points out that the other pages show this same data for Hollis, Brookline and the total SAU. SAU wide there has been a 44% increase in 10 years. Brookline 7th - 8th grade has increased 38%, while 9th – 12th has gone up 129% in the same 10 years. If there is a large number of students in the lower grades, this tends to taper off as this class moves into higher grades. Many students are moving to private schools. It would be interesting to know why these students are going to home schooling or private. Melinda points out that home schoolers must register with the State or the SAU, therefore the SAU may not have a full record of all home schoolers.

Budget Guidance

Bill comments that there is a "basket of goods" used to determine the CPI. He has analyzed these items and suggests that perhaps the BudCom may want to consider a modified basket that more accurately reflects the town and school expenses. Chris agrees that the CPI is the Consumer Price Index and the town/school are not consumers. Mort comments that this is a lousy system. Chris mentions that the Bureau of Labor Statistics also provides a number. He would like to modify the current guidance system to allow for a circuit breaker of some sort. He is not sure he would be in favor of changing the CPI.

Meeting Schedule

Debbie presents each member with an updated schedule. The December 6th SAU public hearing will now be held on December 11th. The December 11th first presentation of the town budget will now be done following the selectmen's meeting on December 3rd. The schedule also includes the actual dates for Hollis School and Coop School district meetings in March. Chris is concerned that the coop meeting will again be held the week prior to town meeting. He recalls the BudCom requesting this to be changed. Debbie explains that the original schedule did have the Hollis School district meeting during the first week and the coop during the third week, however due to scheduling conflicts with some Hollis school board members, this was changed.

Other Business

Chris questions if there were some houses that were not scheduled to be re-assessed this past year. Melinda explains there was a misunderstanding when the number was originally determined. This should have included all houses. They plan to take money from contingency to cover the inspection of the remaining homes. Mort questions why they would need to hire someone to handle the statistical analysis when the town purchased software for this years ago. Melinda explains that the software does not perform the update. There are also more aspects of what the State requires that this software does not handle.

Chris states that he would like to have someone from the DRA down to discuss this with the BudCom. He believes there are more economical ways to handle this process. He does not feel the Town is doing this correctly. Melinda states that she has personally met with 2 people from the DRA to discuss this process. They are doing what is being required by the State. They must do it this way according to the DRA. She mentions that there are approximately 240 properties that did not obtain permits for changes made. Chris questions the total change in valuation due to these improvements. Melinda will ask Connie for a breakdown.

Debbie explains that she recently sent out the first round of 60 enforcement letters regarding these improvements made without permits. The response to these letters have been good. Many people have already applied for the permits, while others are indicating that these improvements were done many years ago. There are apparently some discrepancies in the assessing records, which will now be updated based on the reinspections.

Chris asks if they plan to recoup any expenses related to errors made during the revaluation from 5 years ago. He feels this to be theft of services or fraud. Melinda indicates that they are waiting to see the final outcome. Bob questions who determines what is taxed or not taxed. Does the State give guidelines, with the towns allowed to add or subtract. Melinda states that the majority of this is set by the State, yet it is not identical for each town. There were many items that came up during this inspection that the selectmen now need to decide if it should be included in the assessment or not.

Mort feels the assessment should reflect what the entire property could sell for. Melinda states that the selectmen are questioning whether portable garages or front steps should be included. The assessor made the determination to include these, yet she would like to ask the DRA for clarification. If all homes are assessed for front steps, then it becomes a non-issue, however this must be consistent throughout town.

Tom moves to adjourn. Seconded by Bob. Motion unanimously approved.

Next Meeting will be held December 3, 2007 at 7:30 PM in the Community Room, Hollis Town Hall

Meeting adjourned at 8:50 PM.

Respectfully submitted,
Deborah Adams, Secretary