



## BUDGET COMMITTEE

# Town of Hollis

Seven Monument Square  
Hollis, New Hampshire 03049  
Tel. 465-2209 FAX 465-3701

### Minutes of December 20, 2007

Meeting was held in the Community Room, Hollis Town Hall and was called to order by Vice Chairman, Chris Hyde at 7:45 PM.

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

Also present: Rich Pike, Superintendent; Harry Haytayan, Jim McCann, Jennifer McLeod, Susan Banz, School Board Members

#### Review of Minutes

*Tom moves to approve the Minutes of November 27, 2007 as amended. Seconded by Bob. Motion unanimously approved.*

*Tom moves to approve the Minutes of December 3, 2007. Seconded by Bob. Bill was not present at the December 3<sup>rd</sup> meeting; therefore there is not a quorum present this evening to approve these minutes.*

#### 2008-2009 School Budget – First Presentation

Bill comments that they are trying very hard to meet the BudCom guidance of 1.8%. When preparing the budget there are 4 basic principles they are attempting to meet; they do not want to cut programs, they do not want to increase class sizes, they do not want to compromise educational services and they are working to create the most efficiency as possible with overhead costs. Anything that affects the students is being addressed.

Bill apologizes that he does not have the BudCom guidance formula with proposed budget figures with him tonight. He explains that they started with a flat (last year's) budget. They made as many cuts as possible (1 time expenses, etc.), then added back in only mandatory increases, such as benefits. The administration was then asked to create a prioritized list of what they would like in the budget. The benefit increases are proposed for full exposure, yet the actual figures are not released until the end of June. Last year actually came in less than projected. The flat budget is actually negative, once the special education costs have been removed. They are currently \$33K under the BudCom guidance. Chris points out that union negotiations are currently ongoing, therefore salaries cannot be discussed at this time. The -\$33K does not include any salary items. Bill states that this is correct. He mentions that the prioritized list will add another \$126,041, which is still under the 1.8% guidance.

Rich presents budget handouts to the BudCom.

- Summary by Function – this shows the 06-07 actuals, 07-08 budget, 07-08 actuals through 10/25/07, 08-09 proposed and the change in \$ and %. Bill adds that this report can be reviewed quickly, with few increases jumping out. This year the gross growth for special education, without any offsetting revenue, will be \$61K. Last year this number was \$278K. Of the \$61K, most is within the area of English as a Second Language (ESL). ESL had been shown in the Coop budget in the past, however they no longer have use for this service, therefore the budget costs were transferred over to Hollis. This service is used 50/50 with Brookline, therefore there will be offsetting revenue from Brookline to cover their portion. The special education figures also do not include any grants, which will also help to offset some of the costs.
- Discretionary increase, listed in priority order – This is the priority list created by administration.
- Budget adjustments, by function
- Function summary line items

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Summary by Function

| <b>Line Items with changes</b>                       |                  |                 |
|--|------------------|-----------------|
| <u>Description - Account</u>                         | <u>\$ Change</u> | <u>% Change</u> |
| Regular Instruction – 1100                           | (29,714)         | -0.94%          |
| Mathematics – 1111                                   | 1,956            | 3.6%            |
| Computer Science – 1169                              | 1,220            | 1.14%           |
| Special Education – 1200                             | 14,993           | 1.13%           |
| ESL/LEP – 1260                                       | 19,699           | 48.30%          |
| Other Special Programs – 1290                        | (460)            | -0.45%          |
| Guidance Services – 2120                             | (3,215)          | -2.40%          |
| Health Services – 2130                               | 25               | 7.58%           |
| Nursing Services – 2134                              | (100)            | -0.07%          |
| Other Health Services – 2139                         | (1,240)          | -3.64%          |
| Psychological Counseling Services – 2143             | 1,035            | 0.84%           |
| Speech Pathology Services – 2152                     | (8,636)          | -3.82%          |
| Other Speech Pathology and Audiology Services – 2159 | 4,750            | 16.49%          |
| Physical Therapy Services – 2162                     | (600)            | -3.13%          |
| Occupational Therapy Services – 2163                 | 6,315            | 8.13%           |
| Other Support Services – 2180                        | 444              | 7.71%           |
| Other Support Services – 2190                        | 195              | 3.92%           |
| Improvement of Instr Services – 2210                 | (23,825)         | -24.02%         |
| Educational Media Services – 2222                    | 324              | 0.20%           |
| Computer-Assit Instrut Srvc – 2225                   | (1,144)          | -9.05%          |
| School Board – Secretary – 2312                      | 1,250            | 166.7%          |
| School Board – Negotiations – 2316                   | (3,999)          | -99.98%         |
| School Board – Audit – 2317                          | 1,988            | 25.01%          |
| School Board – Legal – 2318                          | 2,749            | 39.27%          |
| Office of the Superintendent – 2320                  | 17,368           | 4.73%           |
| Office of Principal Svcs – 2400                      | 5,854            | 1.24%           |
| Operation of the Plant – 2600                        | (108,811)        | -12.59%         |
| Transportation – 2700                                | 22,346           | 7.85%           |
| Special Programs – 2722                              | 24,843           | 24.84%          |
| Employee Benefits – 2900                             | 87,996           | 5.18%           |
| Bond Principal – 5110                                | (19,440)         | -9.02%          |
| Bond Interest – 5120                                 | 13,883           | 7.41%           |
| <b>Grand Total</b>                                   | <b>28,048</b>    | <b>0.27%</b>    |

Bill explains that they have been running with the same level of administration at the SAU for the last decade. They have included \$40K for an analysis of the special education programs to help find efficiencies. The 2600 line item for operation of the plant is down \$108K. Chris questions whether this includes items from the prioritized maintenance list from last year. Bill states that those items are already included in the budget or they will be presented as a warrant article for monies to be placed into the expendable trust account. He would like to have the Director of Maintenance discuss this with the BudCom at the next meeting.

Rich points out that COLA has been built into the fuel costs for successive years. Chris would like to see more information on gasoline costs for the transportation line items. Bill points out that employee benefits are up \$88K. They are currently into the 2<sup>nd</sup> year of the rate set for retirement. Chris questions why the bond interest is going up, while bond principal is down. Bill explains that this is due to the way the bond has been structured, with most of the principal being paid up front and interest being paid towards the end.

Discretionary Increases – In Priority Order

Rich explains that the administration was asked to create this list. Many items are small amounts of money, yet they all add up. The highest priority item is not a great dollar amount, yet it is very important to the principals. This will increase the hours for an existing part time custodian. The principals want to keep their schools looking good. The second item on this priority list is merit increases for non-union administration personnel. This is a 4% pool, which covers all employees that are not covered by

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the union contracts. Chris asks for additional information on this item. He would like more details on how this will be dispersed. Items 3 & 4 on the priority list are for staff development at each school (Danielson Training). The cost covers the training and necessary books. Number 5 on the priority list is a new position for a classroom assistant, which is necessary due to class size. The total increase for all prioritized items is \$126,041.

**Budget Adjustments**

Bill explains that the school board wanted to see a flat budget with prioritized increases. Since many items were imbedded in the budget, they started a list to help track these changes. This list shows those changes. Rich points out that the new Business Administrator has been doing a great job. She has found competitive rates for many items and has found efficiencies for many things. These small amounts all add up to help reduce the budget.

**Function Summary Line Items**

Bill explains that this listing shows the budget by category. This is a different way to look at the same numbers.

**BudCom Comments**

Chris feels this is a good first crack at the budget, yet they still have much work ahead with the ongoing negotiations. While the budget presented tonight was within the BudCom's guidance, the whole budget will still need to meet the guidance. Rich comments that last year was a very painful process with the budget. This year has been much better. He stresses that there needs to be some balance with what the BudCom would like to see and what is needed for education. The school does not have the same drivers as the consumer price index, which creates a problem with using the CPI for the guidance. Health insurance is always a problem. If they do not budget enough, then there is trouble later. It is hard when they do not know what the numbers will be until after the budget has been approved. Much of the budget is a role of the dice. When there is a comfortable guidance figure, it is easier to create a workable budget with a quality produce, yet when there is a strict guidance, the budget is not easy to create.

Rich questions whether the guidance is created by using changes in property valuations. Chris explains that this is not taken into account with the direct budget, yet part of the guidance is with the notion of CPI and growth. The growth number does have some direct correlation with the growth in valuation. The town has argued that the BudCom does not allow for growth in valuation, yet allows for school population growth. Although lately the school population has been going down. Growth in valuation would be a benefit if the growth was due to new properties, yet this is not the case. The number of permits issued is down and the ZBA has not been having meetings lately. Real estate is not booming. Valuations of existing properties is flat. He does agree that the guidance formula does need to be revamped.

Rich feels that they could level the playing field with a 3 year average. Currently there are major spikes from year to year. Last year was 3.8%, this year is 1.8%. An average would be more predictable. Chris agrees that this is something they need to look at. The taxes are increasing and they need to reconsider how the process works. Chris mentions that if there are any new positions, those should be listed as a separate warrant article to allow the voters to approve. Bill states that there are no new positions this year. There is merely an increase in hours for existing positions. Chris questions what other items may be as warrant articles. Bill states that there will be warrant articles for the operating budget, each negotiated contract, adding more funds to the expendable trust and a new expendable trust for retirement/health, as these are unpredictable items.

**Meeting Schedule**

Debbie reviews the upcoming meeting schedule.

*Bill moves to adjourn. Seconded by Bob. Motion unanimously approved.*

**Next Meeting** will be held January 17, 2008 at 7:30 PM in the Community Room, Hollis Town Hall for the second review of the town budget.

Meeting adjourned at 8:45 PM.

Respectfully submitted,  
Deborah Adams, Secretary