



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

Minutes of August 14, 2012

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Tom Gehan at 7:00 PM.

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

Also present: Deb Padykula - Finance Director, Eric Horton – SAU41 Business Administrator, Rob Mann – Hollis School Board

Pledge of Allegiance was said.

Tom Gehan notified the committee members of the passing of Ray Valle, a former member of the BudCom and a current member of the HB COOP District Budget Committee. He stated that the chairman of that committee will be looking to fill the vacancy with a representative from Hollis, and that notices will be forthcoming.

Review of Agenda

Review / Acceptance of Minutes:

Mike H. moved to accept the minutes of 6/12/12. Tom J. seconded. Vote was unanimous in favor. Frank G. abstained. Minutes were accepted.

Reports:

Town – Deb P. reviewed the July YTD financials. Most expenditures are in line with the budget, with the major exception being the Legal account. This is primarily due to the ongoing Lone Pine case. There are other accounts that are expecting a surplus for the year. Workmen's comp will have a surplus of \$32K due to a credit from Primex. The NH Retirement account should have \$15K left over due to the fact that an unanticipated portion of the union contract for 2012 turned out to be unearned compensation, and therefore not subject to NH Ret. contributions. Also, the DPW pickup truck came in less than was budgeted, leaving \$5K. Tom J. asked what was the actual cost of the truck. Deb P. stated that it was \$24,456 once the value of the trade-in was applied. Mike H. asked where the road repair budget stood. Deb P. responded that only \$38K had been spent so far. With various projects due for completion in the next few weeks, however, bills are sure to be coming in. Deb P. stated that the bridge aid funding from the NHDOT came in approximately \$11K more than expected, at \$249K. Only the amount appropriated (\$237K) can be spent this year on road repairs, and the prioritized list of projects is ready to go. Finally, the Highway Block Grant will be coming in \$8K less than anticipated for the 3rd and 4th quarters.

Tom J. asked about police department overtime. Deb P. stated that there have been a few officers out on disability this year, but that there should be enough extra in the union salary line to offset it. Frank G. asked

Budget Committee Minutes August 14, 2012

whether they were on-the-job incidents. Deb P. stated that to her knowledge they mostly reflect recurrence of a pre-existing condition.

Regarding the town financial audit, the report is showing an estimated unassigned fund balance of \$1,030,000.00 for 2011. The decision will be made in October, when the tax rate is set, whether to use some of this fund balance to offset an increase in the tax rate.

On another note, Tom G. asked whether it is appropriate to use the DOT bridge aid funds to pave the Lawrence Barn parking lot, since that money is supposed to be used for maintaining "roads, bridges, and culverts". Mike H. felt that would be an unacceptable use of the funds. Tom G. suggested that this type of project should come before the voters as part of the 2013 budget. Peter B. recommended that the BudCom should make their opinion known to the Selectmen. Further discussion on the matter is scheduled for future Selectman's meetings. Mike H. made a motion that the BudCom communicate its disapproval of the use of road maintenance funds for parking lot paving. Susan B. seconded. Voting in favor: Susan B., Mike H., Tom G., Frank W., Tom J., and Frank G. Opposed: Peter B. Motion passed 6-1.

Tom G. mentioned that in order to prepare the preliminary budget guidance, the BudCom would need to get from the Selectmen a listing of what capital projects or major spending items are foreseeable for the 2013 year. Mike H. asked that road rebuilding projects be included on that list. It was agreed to discuss this in detail at the September meeting.

Schools – Tom G. asked for an explanation of the fund balance of \$142K. Eric H. went through the financials in some detail. The FY12 budget had been overestimated in several areas, namely \$200K for health insurance, \$100K for contingency, \$133K for salaries, and \$90K for SPED. The biggest concern is the health insurance differential, and Eric H. felt that they should be able to hit this target a little more closely. However, he pointed out that health insurance costs vary dramatically between single and family plans, so a few changes in staff can swing the overall totals, and this is difficult to predict ahead of time. Other discussion centered around staff development line items. Eric H. also mentioned that the administration of certain non-operating budget funds has been taken over by the SAU office. Maintenance of a few, such as those for student activity fees, has been left to the individual schools.

Public Input: none

New Business:

Rob Mann, Chairman of the Hollis School Board, spoke about some goals that he has for the board for the upcoming year. He would like to transition the board from being purely reactionary, to being forward thinking and strategically proactive. He spoke at length about "Policy Governance" and how the board will be transitioned to this new way of functioning. This would involve staying out of the day-to-day operations, while giving policy guidance and oversight, thereby shifting more overall responsibility/accountability to the SAU Administration. Members of the BudCom asked many specific questions regarding how the plan will work. Rob M. stated that the whole program is still just in its infancy, and that once they have completed the proposed workshops, more of the details will be fleshed out. He expects it to take possibly three years for the board to have all the necessary policies in place, and for the administration to become comfortable with the new methodology. Mike H. expressed concern over the restricted lines of communication, and wondered how the board will get the information it needs. Rob M. stated that they will continue to receive all the reports they are accustomed to. Tom G. suggested that one goal should be to provide the public with regular updates on how the schools are doing, possibly at the annual meeting. Rob M. stated that the board will be looking for regular input and feedback from the BudCom and others.

2013 Budget Guidance: Initial discussion of the school budget timeline, concerning what data is available and when. Much of the enrollment data is not available until October. A first draft of the school budget will come out in September, which is still highly preliminary.

Utility report: Tom G. stated that energy consumption at the schools has been trending downward over the past year. Eric H. commented that based on recommendations from the energy audit, certain changes have

Budget Committee Minutes August 14, 2012

taken place, such as consolidating refrigerators throughout the buildings, utilizing automatic controls for better efficiency, and shutting down more systems while the buildings are unoccupied. Peter B. mentioned that the Selectmen reviewed the final energy audit report and pointed out that matching funds may be available for upgrades to older boilers. The window of opportunity for these is limited, so he suggested that the school board may want to follow up right away.

Meeting Dates:

Hollis District Meeting – Monday March 18, 2013 (primary)

March 19, 2013 (secondary)

H/B COOP District Meeting – Tuesday March 5, 2013 (primary)

March 6, 2012 (secondary)

Next regular BudCom meeting: Tuesday September 11.

Motion to adjourn was made by Mike H. Peter B. seconded. Meeting was adjourned at 8:50 pm.

Respectfully submitted,

Barbara Kowalski, Tax Collector