



BUDGET COMMITTEE

Town of Hollis

Seven Monument Square
Hollis, New Hampshire 03049
Ph. 465-2209 Fax 465-3701

Minutes of February 5, 2019

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Tom Gehan at 6:34 PM.

Members present: Tom Gehan, Chairman; Darlene Mann; Mark Ledoux, Selectmen's Rep; Mike Harris; Chris Hyde; Tom Jambard; Mike Leavitt; Tammy Fareed, HSB Acting Chair

Others present: Amy Kellner, HSB Secretary; Tom Enright, HSB; Kelly Sealy, SAU41 Business Administrator; Andy Corey, Superintendent; Gina Bergskaug, Assistant Superintendent

Pledge of Allegiance was recited.

Upcoming Meetings:

February 6, 2019 – COOP Public Hearing

March 6, 2019 – COOP Annual District Meeting – Part 1

March 7, 2019 – COOP Annual District Meeting – Part 2

March 12, 2019 – Town Elections

March 13, 2019 – HSD Annual District Meeting

March 16, 2019 – Town Meeting

Budget Committee Presentations

T. Gehan explained the public hearing process and presented a slideshow detailing current budget related information for the Town of Hollis School District.

Illustrated the process, goals of making Hollis School district desirable employer.

Budget Process

T. Gehan discussed the assumptions and methodology that go into developing the town and school district budgets each year.

T. Gehan spent a few minutes reviewing the annual budget process, specifically as it pertains to the Hollis School District. He discussed the various economic factors and enrollment statistics which go into developing the budget guidance. He reviewed economic data, valuations, tax bills, demographics, bonded debt, etc; all factors that are taken into consideration when developing budget guidance. He stated that a 0.5% increase in the tax base was assumed when developing the guidance for FY19 and that the guidance budget was increased by \$310,408 (3.4%). The proposed Warrant Article Operating Budget of \$12,145,453 is \$1,280 under guidance. He reviewed several metrics regarding tax rate, student enrollment, and staffing. The presentation can be accessed online at https://docs.wixstatic.com/ugd/a6c298_9ffde03874f74187a766dd32dc82928f.pdf

Overview of Warrant Articles

T. Gehan briefly reviewed the anticipated Hollis School District warrant articles. A preliminary estimate of the HSD Local Tax portion of the rate is \$7.32, which represents an 8.8% increase (+\$0.59). The estimated Town Tax portion of the rate is \$6.24, an increase of 14.3% (+\$0.78). COOP Local Tax is estimated to be \$6.75, an increase of 9.6% (+\$0.59). The HSD State Tax is estimated to be \$1.03, a decrease of 3.7% (-\$0.04). With the overall forecasted 2019 Hollis Tax Rate estimated to come in at \$23.59, an anticipated increase of 8.8% (+\$1.92).

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T. Gehan reviewed the conduct of the public hearing and called the public hearing to order at 7:00pm.

Discussion of Warrant Articles:

ARTICLE 1 - To see if the Hollis School District will vote to approve the cost of items included in the three-year collective bargaining agreement reached between the Hollis School Board and the Hollis Education Association for the 2019-2020, 2020- 2021 and 2021-2022 school years, which calls for the following increase in professional staff salaries and benefits at the current staffing levels:

FY20	FY21	FY22	Total
\$196,649	\$220,879	\$223,724	\$641,252

and further to raise and appropriate a sum of \$196,649 for the first fiscal year (2019-2020 school year), such sum representing the negotiated increase over the 2018-19 salaries and fringe benefits.

Estimated Net Tax Impact of \$0.11/\$1,000

T. Fareed presented the HEA FY20 Agreement and Highlights including salary schedule, contract terms, salary step details, health insurance, longevity, management rights, and a cost summary.

Public Comment

Michelle St John (Orchard Dr) spoke in favor of normalization and acknowledged all of the work that went into the contract negotiations.

Drew Mason (Baxter Rd) gave visual presentation suggestions.

ARTICLE 2 – To see if the Hollis School District will vote to approve the cost items included in the three-year collective bargaining agreement reached between the Hollis School Board and the Hollis Education Support Staff Association for the 2019-20 school year, which calls for the following increases in support staff salaries and benefits at the current staffing levels:

FY20
\$51,240

and further to raise and appropriate the sum of \$51,240 for the fiscal year, such sum representing the negotiated increase over the 2018-19 salaries and fringe benefits. The school board recommends the appropriation 4-0-0. The budget committee recommends this appropriation 8-0-0.

Estimated Net Tax Impact of \$0.03/\$1,000

T. Fareed presented the HESSA FY20- FY22 Agreement Highlights including step awards, district goals, and wage costs.

Public Comment

Kristine Opalka (Mooar Hill Rd) inquired as to why Article 1 is Sanbornized and Article 2 is not.

T. Fareed explained it is a negotiation tool; Sanbornization secured valuable gains for the district and is adds value to the district by making it more desirable to employees who would like to have a longer term contract.

Joe Garruba (Winchester Dr) asked for an explanation as to how this article works as a long term agreement. As the article is not Sanbornized, will this article come up at town meeting for the next 3 years?

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T. Fareed responded yes, however in a non-Sanbornized contract, the public cannot change the dollar amount or amend the language, they can simply vote to approve it or not approve it.

ARTICLE 3 – To see if the Hollis School District will vote to raise and appropriate the sum of \$64,600 to create the design development of the proposed renovation primarily of the School Administrative Unit 41 barn and secondarily of the associated building at 4 Lund Lane and to provide estimated costs for additional energy saving projects in the school buildings. This is a special warrant article pursuant to RSA 32:3, VI (d). The school board recommends the appropriation 3-0-0. The budget committee recommends this appropriation 8-0-0.

Estimated Net Tax Impact of \$0.04/\$1,000

No Public Comments

ARTICLE 4 – Shall the District vote to raise and appropriate the sum of \$534,271 as the Hollis School District's portion of the SAU budget of \$1,719,314 for the forthcoming fiscal year? This year's adjusted budget of \$1,691,711 with \$525,670 assigned to the school budget of this school district will be adopted if the article does not receive a majority vote of all the school district voters voting in this school administrative unit. The school board recommends the appropriation 3-0-0. The budget committee recommends this appropriation 8-0-0.

Estimated Net Tax Impact of \$0.30/\$1,000

Public Comment

Joe Garruba (Winchester Dr) asked for clarification as to why this is non-amendable and if a budget line breakdown has been provided.

T. Gehan explained that this article cannot be adjusted because it is being voted on at 3 separate school budget meetings (Hollis/Brookline/COOP).

C. Hyde explained the legal process for voting on this type of article. There is a budget hearing for the SAU in December that covers the breakdown of the budget.

ARTICLE 5 – To see if the school district will vote to raise and appropriate up to the sum of \$23,970 to be added to the previously established Maintenance Fund for Administrative and Associated Structures 4 Lund Lane in Hollis, Map 56, Lot 2, from rental proceeds and unexpended maintenance funds to be received from SAU 41 available for transfer on July 1, 2019. The school board recommends the appropriation 3-0-0. The budget committee recommends this appropriation 8-0-0.

No Net Tax Impact

Public Comment

Carryl Roy (S Merrimack Rd) asked where the rental income was going prior to this article. Board advised it has always gone to this fund but it still needs to be voted on annually.

ARTICLE 6 - To see if the school district will vote to raise and appropriate up to the sum of \$120,000 to be added to the previously established School Buildings Maintenance Fund from the Hollis School District's June 30, 2019 unanticipated revenues (unassigned fund balance) available for transfer on July 1, 2019 and further to name the Hollis School Board as agents to expend from the previously named fund. The school board recommends the appropriation 3-0-0. The budget committee recommends this appropriation 8-0-0.

Estimated Net Tax Impact – No rate increase in 2019. The Unassigned Fund Balance is the sum of unspent taxes and revenues. Expending \$120,000 that could potentially be returned as revenue, equates to foregoing a potential rate reduction of \$0.09/\$1,000

Public Comment

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Joe Garruba (Winchester Dr) how to we generate Unassigned Fund Balance for the school district?

T. Gehan explained that when budget line items are underspent, unexpended funds are generated and go into the Unassigned Fund Balance. School district Unassigned Fund Balance can be accessed in two ways: in articles like this one which are vote on, or out of 2.5% capped funding which requires an application to State Department of Education.

ARTICLE 7 – To see if the Hollis School District will vote to establish a Special Education Expendable Trust Fund per RSA 198:20-c, to be used for unanticipated special education expenses and to raise and appropriate up to the sum of \$25,000 to be put in said fund, with this amount to come from the Hollis School District's June 30, 2019 unassigned fund balance available for transfer on July 1, 2019; further, to name the Hollis School Board as agents to expend from this fund. (Majority vote required). The school board recommends the appropriation 3-0-0. The budget committee recommends this appropriation 8-0-0.

Estimated Net Tax Impact – No rate increase in 2019. The Unassigned Fund Balance is the sum of unspent taxes and revenues. Expending \$25,000 that could potentially be returned as revenue, equates to foregoing a potential rate reduction of \$0.02/\$1,000

Public Comment

Drew Mason (Baxter Rd) asked how this article interacts, if at all, with Article 9.

T. Fareed explained that Article 9 refers to a catastrophic aide fund, which is a pool of funds the state keeps to help districts who are confronted with extraordinary special education expenses. The proposed trust in Article 7 would allow the school to respond immediately to, and cushion the blow from, these sudden expenses. The school would still apply for the catastrophic aide (which does not fund 100%) then, if and when the state provides the funds, they will go back into the general fund not into the trust.

ARTICLE 8 – To see if the school district will vote to establish a contingency fund for the current year for unanticipated expenses that may arise and further to raise and appropriate a sum of \$95,000 to go into the fund. This sum to be raised by taxation. Any appropriation left in the fund at the end of the year will lapse to the general fund. The school board recommends the appropriation 4-0-0. The budget committee recommends this appropriation 8-0-0.

Estimated Net Tax Impact of \$0.05/\$1,000

No Public Comments

ARTICLE 9 – To see if the school district voters will authorize the Hollis School District to access future year state and federal special education aid funds in the event that special education costs exceed budget limitations. The school board recommends the article 3-0-0.

No Net Tax Impact

No Public Comments

ARTICLE 10 - To see if the school district will vote to raise and appropriate a sum of \$12,145,453 for the support of schools, for the payment of salaries for the school district officials and agents and for the payment of statutory obligations of the district. This appropriation does not include appropriations voted in other warrant articles. The school board recommends this appropriation 3-0-0. The budget committee recommends this appropriation 8-0-0.

Estimated Net Tax Impact of \$6.79/\$1,000

Public Comment

Michelle St John (Orchard Dr) strongly advocated for the town to raise and appropriate an additional \$24,176 to partially fund a shared full time substitute nurse. Explained that this proposal, the cost of which would be divided between Brookline, Hollis, and the COOP, made it through several budget rounds with SAU but did not make the final cut.

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A. Corey, Superintendent, explained that each school has one full-time nurse, and the COOP has two, and on occasion they have been able to assign the 2nd COOP nurse to cover other schools. Initially this additional position was included in the budget, however when the school board went through and looked at priorities during the budget process, they realized that not all of the districts were going to be able to support the position. If there is no nurse in the building the Building Admin (typically the Principal) is legally designated to administer medication, which happens periodically.

Chris Hyde asked, historically, how often is the school in a position where another nurse would be utilized efficiently.

A. Corey said that for field trips they tend to send the known nurse with the student and a substitute comes into the building. Stated that as an administrator he supports the position, however the schools currently have outstanding nursing coverage and it's a rare occasion that coverage is not there.

T. Fareed stated that there were formerly two nurses at the primary school but during the recession the 2nd nurse was the first position to go. Ardently wants to see this happen but does not see how we can responsibly do that at this stage.

Ellen Lencsak (Forest View Dr), School Nurse at Hollis Primary School, said that all of the nurses throughout the district are great, but there are not enough substitute nurses to cover, and the few they do have work other jobs. Stated that out of the 374 kids, she has approximately 68 students with chronic illnesses. Reiterated what an important issue this is when you're the parent of a child who really needs to be cared for every day.

Michelle St John (Orchard Dr) emphasized how medical condition can impact a child's ability to focus on what they need to do if they're worrying about how their care is going to be managed.

C. Hyde asked A. Corey, Superintendent, what would the added nurse do on days they are not required?

A. Corey said the individual would administer vision, hearing, reading, and scoliosis screenings. Across the SAU there is ample need for the coverage.

Joe Garruba (Winchester Dr) pointed out that the bus contract is going to be reissued, and asked for details about what changes there will be.

A. Corey pointed to a national and state shortage of bus drivers. The bulk of the added cost in the new contract is to increase driver's wages for better retention and longevity bonuses. They had two companies bid on the contract, the second bid came in \$300k higher and they still could not guarantee drivers due to the shortage.

ARTICLE 11 - To transact any other business which may legally come before said meeting. The school board recommends this appropriation 3-0-0.

T. Gehan closed the Public Hearing at 8:32pm.

(5 minute recess)

Budget Committee Discussion & Votes

T. Gehan opened Budget Committee deliberations at 8:35 PM.

Article 1

MOVED by Mike Harris, seconded by Mike Leavitt that the Budget Committee recommend Article 1, HEA (Teacher) 3-Year Contract, to the warrant. Voting in favor of the motion were Tom Gehan, Chris Hyde, Tom Jambard, Mike Leavitt, Tammy Fareed, Mike Harris, Darlene Mann, Mark LeDoux. No one was opposed. The motion PASSED 8-0-0.

Recommended by School Board

Recommended by Budget Committee

Article 2

MOVED by Mike Harris, seconded by Mike Leavitt that the Budget Committee recommend Article 2, HESSA (Support Staff) 1st Year of 3-Year Contract, to the warrant. Voting in favor of the motion were Tom

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Gehan, Chris Hyde, Tom Jambard, Mike Leavitt, Tammy Fareed, Mike Harris, Darlene Mann, Mark LeDoux. No one was opposed. The motion PASSED 8-0-0.

Recommended by School Board
Recommended by Budget Committee

Article 3

MOVED by Mike Harris, seconded by Mike Leavitt that the Budget Committee recommend Article 3, SAU Barn & Building Design Development, to the warrant. Voting in favor of the motion were Tom Gehan, Chris Hyde, Tom Jambard, Mike Leavitt, Tammy Fareed, Mike Harris, Darlene Mann, Mark LeDoux. No one was opposed. The motion PASSED 8-0-0.

Recommended by School Board
Recommended by Budget Committee

Article 4

MOVED by Mike Harris, seconded by Mike Leavitt that the Budget Committee recommend Article 4, SAU Budget Allocation, to the warrant. Voting in favor of the motion were Tom Gehan, Chris Hyde, Tom Jambard, Mike Leavitt, Tammy Fareed, Mike Harris, Darlene Mann, Mark LeDoux. No one was opposed. The motion PASSED 8-0-0.

Recommended by School Board
Recommended by Budget Committee

Article 5

MOVED by Mike Harris, seconded by Mike Leavitt that the Budget Committee recommend Article 5, SAU Building Maintenance Trust, to the warrant. Voting in favor of the motion were Tom Gehan, Chris Hyde, Tom Jambard, Mike Leavitt, Tammy Fareed, Mike Harris, Darlene Mann, Mark LeDoux. No one was opposed. The motion PASSED 8-0-0.

Recommended by School Board
Recommended by Budget Committee

Article 6

MOVED by Mike Harris, seconded by Mike Leavitt, that the Budget Committee recommend Article 6, School Building Maintenance Trust, to the warrant. Voting in favor of the motion were Tom Gehan, Chris Hyde, Tom Jambard, Mike Leavitt, Tammy Fareed, Mike Harris, Darlene Mann, Mark LeDoux. No one was opposed. The motion PASSED 8-0-0.

Recommended by School Board
Recommended by Budget Committee

Article 7

MOVED by Mike Harris, seconded by Mike Leavitt that the Budget Committee recommend Article 7, to establish a Special Education Trust Fund, to the warrant. Voting in favor of the motion were Tom Gehan,

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Chris Hyde, Tom Jambard, Mike Leavitt, Tammy Fareed, Mike Harris, Darlene Mann, Mark LeDoux. No one was opposed. The motion PASSED 8-0-0.

Recommended by School Board
Recommended by Budget Committee

Article 8

MOVED by Mike Harris, seconded by Mike Leavitt, that the Budget Committee recommend Article 8, Contingency Fund, to the warrant. Voting in favor of the motion were Tom Gehan, Chris Hyde, Tom Jambard, Mike Leavitt, Tammy Fareed, Mike Harris, Darlene Mann, Mark LeDoux. No one was opposed. The motion PASSED 8-0-0.

Recommended by School Board
Recommended by Budget Committee

Article 9

MOVED by Mike Harris, seconded by Mike Leavitt, that the Budget Committee recommend Article 9, to Access Special Education Aid, to the warrant. Voting in favor of the motion were Tom Gehan, Chris Hyde, Tom Jambard, Mike Leavitt, Tammy Fareed, Mike Harris, Darlene Mann, Mark LeDoux. No one was opposed. The motion PASSED 8-0-0.

Recommended by School Board
Recommended by Budget Committee

Article 10

Board discussed continuing the conversation about funding the substitute nurse position with the COOP.

MOVED by Mike Harris, seconded by Mike Leavitt, that the Budget Committee recommend Article 10, FY20 Operating Budget, to the warrant. Voting in favor of the motion were Tom Gehan, Chris Hyde, Tom Jambard, Mike Leavitt, Tammy Fareed, Mike Harris, Darlene Mann, Mark LeDoux. No one was opposed. The motion PASSED 8-0-0.

Recommended by School Board
Recommended by Budget Committee

Adjournment

MOVED by Mark LeDoux. Voting in favor of the motion were Tom Gehan, Chris Hyde, Tom Jambard, Mike Leavitt, Tammy Fareed, Mike Harris, Darlene Mann, Mark LeDoux. No one was opposed. The motion PASSED 8-0-0.

Meeting adjourned at 8:43 PM.

Respectfully submitted,

Camila Devlin, Tax Collector