



BUDGET COMMITTEE

Town of Hollis

Seven Monument Square
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Minutes of December 10, 2019

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Tom Gehan at 7:03 PM.

Members present: Tom Gehan, Chairman; Mike Harris; Darlene Mann; Mike Leavitt; Mark LeDoux, Select Board Representative; Carryl Roy, School Board Representative

Members not present: Tom Jambard and Chris Hyde

Others present: Kelly Sealy, SAU41 Business Administrator; Robert Mann, School Board Chair

Pledge of Allegiance was recited.

Hollis School District 1st Review of Proposed FY21 Budget

K. Sealy introduced the school budget process, reviewed the proposed shared SAU positions and funding sources for each role. Spoke specifically to academics and curriculum upgrades, new computer equipment, hosted software (including contribution to finger printing machine for PD), security cameras, and water bottle filling stations.

Questions and discussion from *M. Harris, M. LeDoux, C. Roy, T. Gehan, D. Mann, and K. Sealy*.

K. Sealy reviewed anticipated warrant articles

1. Operating Budget of \$13, 270mil
2. SAU Assessment
3. SAU Maintenance Trust
4. Special Education Trust

M. LeDoux asked if they are restricted by how much they can have in the school district maintenance trust.

D. Mann and *K. Sealy* stated by RSA no, however there is a self-imposed restriction on the amount that can be in the Special Ed trust.

Discussion by *M. LeDoux, M. Harris, C. Roy, and T. Gehan*.

K. Sealy stated that there is a starting balance in the Maintenance Expendable Trust of \$82k, suggesting they add \$120k to that, and would like to use the funds for the following projects:

In HPS: classroom cabinets phase 2, main office needs carpeting, parking lot sealing, playground fencing needs repair, exterior painting of the gym, evaluate ADA compliance issues with very old restrooms, classroom and hallway flooring phase 1.

HUES: classroom furniture upgrades, air conditioners in principal and nurse area, parking lot sealing, bathroom flooring, exterior lighting.

Questions and discussion from *M. LeDoux, D. Mann, M. Leavitt, and K. Sealy*.

K. Sealy stated that they would like to ask for additional guidance of \$25,621 relating specifically to the bus contract. Board discussed the status of computer/Chromebook usage and needs in the classrooms.

Questions and discussion from *T. Gehan, M. Harris, M. LeDoux, C. Roy, D. Mann, and K. Sealy*.

Robert Mann, School Board Chair, was present to provide insight and field questions from board members.

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T. Gehan asked how the board wants to treat the request for guidance relief that's attributable to the bus contract in the amount of \$25,621.

MOVED by Mark LeDoux, seconded by Mike Harris, that the Budget Committee authorize guidance relief of no more than \$25,621. Voting in favor of the motion were Tom Gehan, Mike Leavitt, Carryl Roy, Darlene Mann, Mike Harris, Mark LeDoux. The motion PASSED 6-0-0.

Barn Renovation/Capital Improvement Plan

K. Sealy listed the School Facilities Committee members then gave an overview of the school building facilities remediation project. Objective is to create a safe and reliable school building for many decades to come.

M. Leavitt reviewed the CIP chart from last year, highlighted the new items that were not originally included which include air handler 3, 19 air source heat pumps, kitchen septic grease upgrade and sprinkler system.

Discussion and questions from *M. LeDoux, K. Sealy, T. Gehan, D. Mann, M. Harris, and M. Leavitt. Robert Mann*, School Board Chair, gave input on funding source for lighting upgrade.

Board members discussed the potential of waiting a year and using a bond option for funding or using a facilities maintenance fund to gradually build up required funds. Input from *M. LeDoux, T. Gehan, D. Mann, K. Sealy, M. Harris, and M. Leavitt.*

K. Sealy reviewed SAU Barn Renovation, gave history of Lund Lane and current rental income. Detailed proposed office locations and other specific layout changes. Highlighted the previously discussed alternatives to this proposal. *D. Mann* stated there were originally three different versions when this was first presented. Asked if this version includes energy efficient items like solar or air handler.

K. Sealy stated it does not include those items or the elevator, believes this was the lowest cost proposal.

Discussion of alternative options from *M. LeDoux, C. Roy, and M. Harris.*

T. Gehan inquired as to the current usable square footage.

K. Sealy stated SAU usage is currently 5612sqft and will increase to 7440sqft.

D. Mann inquired as to the time frame of the project.

M. Leavitt stated estimated completion by summer 2022.

M. LeDoux and *C. Roy* discussed record storage and record digitizing options.

Board reviewed SAU rental analysis provided by *K. Sealy.*

M. LeDoux pointed out comparable, currently available, alternative commercial space in town. Emphasized the need to do a full analysis on whether it is worth retrofitting an old barn versus a commercial rental space. Expressed concern that the board does not have the data points to make an intelligent decision without looking at all options.

T. Gehan voiced concern over the assumption that the SAU interest and Town of Hollis interests are aligned. The town is subsidizing the SAU. Asked if the governing board had a conversation regarding a long term commitment to this building. Speculated that the tax payers would be better financially served for Hollis to pay 30% of a higher commercial rate somewhere else than paying for this note, when Hollis is consuming only 30-35% of this building.

K. Sealy stated that a long term lease contract is currently in legal.

D. Mann pointed out that the rental rates the SAU says are competitive in commercial space, are the rates they will be potentially looking at as a result of making the proposed changes. Requested that *K. Sealy* provide a financial analysis of what the anticipated rate increase will be, considering the additional space and improvements that will result from the renovation.

M. Harris agreed that the analysis would give insight into whether this is a viable project. Doesn't believe Hollis residents should pay for this without contributions from other districts.

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Discussion and input from *M. Harris, C. Roy, M. LeDoux, T. Gehan, R. Mann, M. Leavitt, and D. Mann.*

Anticipated Hollis School District Warrant Articles

D. Mann stated that assuming everything moves forward, there are 2 bonds being put forth by the school board.

K. Sealy and Budget Committee Board members non-verbally reviewed the document previously distributed electronically to board members. *T. Gehan* asked if there was anything specific the board would like to discuss. There was none.

Reschedule of HSD public hearing due to Presidential Primary 2/11/20 (proposed 2/13/alt. 2/14)

T. Gehan proposed the rescheduling of the HSD Public Hearing to Thursday, February 13, 2020.

Adjournment

MOVED by Mike Harris, seconded by Mark LeDoux that the Budget Committee adjourn the meeting. Voting in favor of the motion were Tom Gehan, Mike Leavitt, Carryl Roy, Darlene Mann, Mark LeDoux. Mike Harris abstained. The motion PASSED 5-0-1.

Meeting adjourned at 9:08pm

Respectfully submitted,

Camila Devlin, Tax Collector