



BUDGET COMMITTEE

Town of Hollis

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Minutes of February 6, 2018

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Tom Gehan at 6:31 PM.

Members Present: Tom Gehan, Mike Harris, Chris Hyde, Tom Jambard, Mike Leavitt, Darlene Mann, and Tammy Fareed – School Board Rep

Others Present: Gina Bergskaug – Asst. SAU Administrator, Andy Corey – SAU Administrator, Kristen Maher – Asst. SAU Business Administrator, Rob Mann – HSB, Laurie Miller – HSB, Michelle St. John - HSB, Kelly Seely – SAU Business Administrator

Pledge of Allegiance was recited.

Upcoming Meetings:

Tom G. reviewed upcoming meetings: Tonight's meeting is the Hollis School District Budget Public Hearing.

February 8, 2018:	Hollis/Brookline COOP Public Hearing (6:30 PM)
February 14, 2018:	Hollis Town Budget Public Hearing (6:30 PM)
March 6, 2018:	Hollis School District Annual Meeting (7:00 PM)
March 15, 2018:	Hollis/Brookline COOP Annual Meeting (7:00 PM)
March 17, 2018:	Hollis Annual Town Meeting (10:00 AM)

Budget Process:

Tom G. 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 0.25% increase in the tax base was assumed when developing the guidance for FY19. He stated that the guidance budget was increased by \$200.5K (2.2%), less \$138K for savings realized from the Hollis Schools Thermal Electric Project (HSTEP), resulting in a net increase of \$62.5K. The proposed operating budget of \$11,609,462 is \$5,350 under guidance.

Tom G. reviewed several metrics regarding tax rate, student enrollment, and staffing. The presentation can be accessed online at <http://www.hollisnh.org/budget/files/PublicHearingHSD2018.pdf>.

Warrant Overview:

Tom G. briefly reviewed the anticipated Hollis School District warrant articles. A preliminary estimate of the local HSD portion of the tax rate is \$7.63, which represents a \$0.63 increase (+9.0%). He added that when combined with the State Education Rate (no change) the result is a 7.7% increase. This reflects decreased revenue of \$185K, decreased state aid of \$4K, and assumes all warrants as currently written will pass. Tom G. stated that the town tax rate is anticipated to increase by 14.5% due to the land purchase bond payments that commence in FY19; the COOP rate is not yet available.

Tom G. reviewed the conduct of the public hearing and opened the floor for public comment at 6:58 PM.

Hollis School Board Positions

Tom G. asked for the HSB positions on warrant articles 2 through 9.

Rob M. replied that HSB decided to wait for public input prior to making recommendations.

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Chris H. stated that HSB should present the articles with recommendations but reserve the right to modify said position after hearing public comments.

Drew Mason (Baxter Rd) stated that HSB is not legally required to offer a position prior to the public hearing.

Rob M. stated that HSB plans to formally make recommendations on the articles after the conclusion of the public hearing.

Chris H. stated that having HSB's position available prior to the public hearing is especially helpful if the board is split in its support of an article. He added that he would like an informal poll of HSB member positions after each article is presented.

Mike H. stated that he felt the HSB positions should be available at the public hearing.

Drew M. clarified that while wording may be modified, dollar amounts cannot be increased after the public hearing.

BudCom decided to move forward without HSB formal positions.

Discussion of Warrant Articles

ARTICLE 1 – HESSA FY19 Agreement Highlights

To see if the school district will vote to approve the cost items for the one-year collective bargaining agreement reached between the Hollis School Board and the Hollis Education Support Staff Association for the 2018-19 school year, which calls for the following increases in support staff salaries and benefits at the current staffing levels:

Fiscal Year	Estimated Increase
2018-19	\$50,486

and further to raise and appropriate the sum of \$50,486 for the fiscal year, such sum representing the negotiated increase over the 2017-18 salaries and fringe benefits.

Recommended by Hollis School Board

Estimated Gross Tax Impact, Unreduced by Revenues - \$0.04/\$1,000

Tammy F. reviewed the goals of the negotiation and outlined details of the proposed contract.

- 1 year agreement
- Annual increase based on step table plus 1.0%. Off step only receives 2.5%
 - No changes to health insurance
- Employee category designations reduced, especially pertaining to para-educators.
- Process modifications made to benefit HSD administration.
- Software implementation to reduce labor intensive paperwork is planned.

No Public Comment

ARTICLE 2 – SAU Budget

Shall the District vote to raise and appropriate the sum of \$481,112 as the Hollis School District's portion of the SAU budget of \$1,577,723 for the forthcoming fiscal year? This year's adjusted budget of \$1,543,057 with \$472,511 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.

Tom G. requested a poll of support for Article 2 from HSB. All 4 members in attendance intend to recommend.

Estimated Gross Tax Impact, Unreduced by Revenue - \$0.40/\$1,000

Rob M. clarified that the budget presented in this article cannot be adjusted at a future meeting per RSA.

No Public Comment

ARTICLE 3 - SAU Building Maintenance Fund

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To see if the school district will vote to raise and appropriate up to the sum of \$18,970 to be added to the previously established MAINTENANCE FUND FOR ADMINISTRATIVE AND ASSOCIATED STRUCTURES at 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, 2018.

Tom G. requested a poll of support for Article 3 from HSB. All 4 members in attendance intend to recommend.

Estimated Gross Tax Impact, Unreduced by Revenue - \$0.02/\$1,000

Rob M. explained that the Town of Hollis rents the building at 4 Lund Lane to the SAU41 administration and that these proceeds are held in a trust fund. HSB oversees the use of said funds to maintain the property and is planning to install 4 heat pumps during the upcoming fiscal year at a cost of \$16.5K.

Public Comment

Drew M. asked for the rental rate prior to the recent increase. Tammy F. replied \$13K. Rob M. stated it would increase by \$5K. Drew M. recommended adding this information to the presentation prior to town meeting.

ARTICLE 4 – School Buildings Maintenance Fund

To see if the school district will vote to raise and appropriate up to the sum of \$90,000 to be added to the previously established School Buildings Maintenance Fund from the Hollis School District's June 30, 2018 unanticipated revenues (unassigned fund balance) available for transfer on July 1, 2018 and further to name the Hollis School Board as agents to expend from the previously named fund.

Tom G. requested a poll of support for Article 4 from HSB. All 4 members in attendance intend to recommend.

Estimated Gross Tax Impact - \$0.07/\$1,000

Rob M. summarized proposed FY19 projects which include playground maintenance at both HPS and HUES, security enhancements, hallway flooring, stair treads, and a freezer condensing unit.

No Public Comment

ARTICLE 5 – Water System Expendable Trust

To see if the school district will vote to establish a Water System Expendable Trust Fund per RSA 198:20-c, for the purpose of maintaining, improving and studying the future direction of the water supply system operated by the Hollis School District and to raise and appropriate up to the sum of \$50,000 to be put in said fund, with this amount to come from the Hollis School District's June 30, 2018 unanticipated revenues (unassigned fund balance) available for transfer on July 1, 2018; further, to name the Hollis School board as agents to expend from this fund. (Majority vote required).

Tom G. requested a poll of support for Article 5 from HSB. All 4 members in attendance intend to recommend.

Estimated Gross Tax Impact - \$0.04/\$1,000

Rob M. stated that HSD owns and maintains the water system at Rocky Pond which supplies water to HPS, HUES, HBMS and several properties at Monument Square. The purpose of the article is to establish a "savings account" that can be used to carry forward funds needed to maintain the system and to conduct periodic functional assessments. The funds will come from the unreserved fund balance surplus.

Rob M. added that historically this system has been maintained using funds from the HSD operating budget. HSD would like to separate the costs associated with the water system to make it clear to the community how the funds are being used. Mike H. asked why this isn't being funded from taxation and expressed concern that if there isn't any money in the unassigned fund balance the article would not be funded.

Chris H. stated that using the unassigned fund balance only speaks to this year's establishment of the trust and that future years could be funded using taxation.

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Tom G. stated that because the water system was part of the operating budget in past years it would be more consistent to fund this trust from taxation.

There was a discussion about the age of the system and the difficulties involved in its maintenance and metering.

Tom G. asked Drew M. if the purpose of the article, which is to fund long term planning and improvements, is clear. The trust is not intended to be used for daily operational expenses.

Chris H. expressed concern that the water system may be identified as a utility.

Andy C. replied that HSD legal counsel drafted the article with the intent to avoid becoming a water utility.

No Public Comment

ARTICLE 6 – Contingency Fund

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.

Tom G. requested a poll of support for Article 6 from HSB. All 4 members in attendance intend to recommend.

Estimated Gross Tax Impact - \$0.08/\$1,000

Mike H. asked if \$95K was enough if an additional class section needs to be added.

Andy C. replied that a teacher for new class section would generally be planned for in the budget. He added that this fund might be used for additional supplies if needed.

Public Comment.

Drew M. stated that voters will ask how much the fund was last year and also want to know how HSB arrived at \$95K.

Mike H. replied that it is additional funds in the event a class section must be added.

ARTICLE 7 – Special Education Aid

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.

No Tax Impact

No Public Comment

ARTICLE 8 – FY19 Operating Budget

To see if the school district will vote to raise and appropriate a sum of \$11,604,112 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.

Tom G. requested a poll of support for Article 8 from HSB. All 4 members in attendance intend to recommend.

Estimated Gross Tax Impact - \$9.60/\$1,000

Tom G. stated that the proposed budget is \$5.4K under guidance and it includes the addition of 1.8 full-time equivalents to staff. The staff increase is for 1.0 FTE allied health professional which represents a new special education employee, 0.2 FTE allied health professional which adds to an existing part-time special education position, 0.2 FTE curriculum coordinator, and 0.4 FTE shared SAU staff.

Increases to the proposed budget include:

1. Teacher Salaries – 2nd year of contract
2. NH Retirement System payments
3. Special Education Case Managers
4. Special Education Aides
5. Special Education Contracted Services

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Decreases to the proposed budget include:

1. Electrical Consumption
2. Heating Oil / Propane
3. Heating Repairs
4. Retirement Benefit
5. Out-of-District Special Education

Mike H. asked if HSD would receive funding as a result of the new state kindergarten law.

Andy C. replied that potentially \$1,100.00/student will be received as part of adequacy money and would be used as revenue to offset the budget. He added that the cost per student is approximately \$3.5K and that the current budget does not include this potential revenue.

No Public Comment

ARTICLE 9 - To transact any other business which may legally come before said meeting.

Public Hearing was ended at 8:05 PM.

Rob M. called a meeting of Hollis School Board to take formal positions on the articles. All articles were recommended as written.

Budget Committee Positions

Tom G. opened BudCom deliberations at 8:17 PM.

Article 1:

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by Darlene M.

Roll call vote:

Tammy F. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, Mike L. – Yea, Darlene M. – Yea,

Motion carried 7-0-0

Article 2:

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by Darlene M.

Roll call vote:

Tammy F. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, Mike L. – Yea, Darlene M. – Yea,

Motion carried 7-0-0

Article 3:

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by Darlene M.

Roll call vote:

Tammy F. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, Mike L. – Yea, Darlene M. – Yea,

Motion carried 7-0-0

Article 4:

Tom G. clarified that \$27.5K is for security improvements at HPS and not for playground maintenance.

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by Darlene M.

Roll call vote:

Tammy F. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, Mike L. – Yea, Darlene M. – Yea,

Motion carried 7-0-0

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Article 5:

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by Darlene M.

Roll call vote:

Tammy F. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, Mike L. – Yea, Darlene M. – Yea,

Motion carried 7-0-0

Article 6:

Tom J. confirmed that unused funds would become part of the unassigned fund balance and must be re-appropriated each year.

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by Darlene M.

Roll call vote:

Tammy F. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, Mike L. – Yea, Darlene M. – Yea,

Motion carried 7-0-0

Article 7:

Tom G. asked if BudCom should take a position because it does not appropriate funds. Chris H. and Mike H. replied yes.

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by Darlene M.

Roll call vote:

Tammy F. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, Mike L. – Yea, Darlene M. – Yea,

Motion carried 7-0-0

Article 8:

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by Darlene M.

Roll call vote:

Tammy F. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, Mike L. – Yea, Darlene M. – Yea,

Motion carried 7-0-0

Article 9:

Mike H. made a motion that the BudCom recommend this article.

Motion was seconded by Darlene M.

Roll call vote:

Tammy F. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, Mike L. – Yea, Darlene M. – Yea,

Motion carried 7-0-0

Approval of minutes:

Mike H. moved to accept the minutes of 1/30/18 as written. Darlene M. seconded. Vote was 7-0-0. Minutes were accepted.

There was a discussion about unexpended funds and the use of the unassigned fund balance in lieu of raising funds from new taxation.

Motion to adjourn was made by Chris H. Mike H. seconded. Meeting was adjourned at 8:32 PM.

Respectfully submitted,

Christina Winsor, Tax Collector