

**HOLLIS BUDGET COMMITTEE
DECEMBER 7, 2021
MEETING MINUTES**

A regular meeting of the Hollis Budget Committee was conducted on Tuesday, December 7, 2021, at 7:00 p.m. at the Hollis Town Hall Community Room.

Tom Gehan, Chairman, presided:

Members of the Committee Present: Mike Harris, Vice Chairman
 Mike Leavitt, Secretary
 Christopher Hyde
 Mark Le Doux, Selectmen's Representative
 Darlene Mann
 Carryl Roy, School Board Representative (participated electronically)
 Lorin Rydstrom
 Amy Kellner, Alternate School Board Representative

Members of the Board Absent:

Also Participating: Kelly Seeley, Business Administrator, SAU 41

Chairman Gehan lead in the Pledge of Allegiance.

APPROVAL OF MEETING MINUTES

Hollis Budget Committee November 9, 2021

MOTION BY MEMBER HARRIS TO APPROVE, AS AMENDED

MOTION SECONDED BY MEMBER LEAVITT

A Viva Voce Roll Call vote was taken, which resulted as follows:

Yea: Lorin Rydstrom, Mike Leavitt, Christopher Hyde, Tom Gehan, Mike Harris, Mark Le Doux

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Nay:

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MOTION CARRIED

Members Mann and Roy Abstained

PUBLIC INPUT - None

SCHOOL REPORT

The district is finalizing discussions with the Hollis Education Support Staff Association (HESSA) and is in discussion with the Hollis Education Association (HEA).

A meeting is scheduled for January 31, 2022. Chairman Gehan noted a request was made for a copy of the marked up versions of the new agreements by January 24, 2022 to allow time for evaluation.

NEW BUSINESS

- 1st Review of Proposed Hollis School District FY23 Budget

Chairman Gehan noted the information provided the Committee (copies attached). The spreadsheet provided has been updated to reflect the changes requested around food service.

The guidance operating budget for FY23 totals \$14,297,772. The proposed operating budget totals \$14,297,406, which is under guidance by \$365.

Asked to provide information relative to school population and what might be driving changes to the budget, Ms. Seeley responded she does not believe there to be any changes; there will remain 5 sections in each grade. There are increases in special education costs as well as personnel (driven by services required). Asked about the population, Chairman Gehan stated the Administration projection for FY 23 is 669 with a NESDEC projection of 626. As of December, current enrollment is 632 with a NESDEC projection of 674. Ms. Seeley spoke of the number of students currently being homeschooled. The projected enrollment anticipates approximately half of those students returning to in-person instruction.

Member Roy commented on the number of move-ins the district has heard will be experienced and the need to account for that in grades Pre-K through 6. That has been part of the discussion.

The budget process begins in July. The SAU Administration meets with building administrators to discuss new item requests/needs list. The list is finalized by September and the review process begins. The new items list goes through four (4) rounds of discussion/review during which items are removed/added and costs identified. The process has completed the first three rounds.

The list is broken down into categories. Under the heading of personnel, proposed is for the position of Special Education Secretary to go from 4 to 5 days/week (split between the two schools). The services being provided in district result in additional administrative work for that position. Asked if the increase would result in the addition of costs associated with benefits, Ms. Seeley stated the position currently includes benefits.

Desired is to increase the Music Teacher position at the Hollis Upper Elementary School (HUES) from a 0.6 to a 0.8 Full Time Equivalent (FTE) due to increased need. A 0.8 position would not be eligible for benefits.

Also identified is the addition of two (2) FTE shared positions; SAU Directed Food Service Substitute and SAU Directed Classroom Substitute (the positions and associated costs are shared by all 6 schools within the SAU and directed by the SAU where they are most needed). Asked on which payroll the shared positions would be located, Ms. Seeley remarked that is not yet decided. They are typically allocated so that each district has a certain number of shared positions residing within their budget.

Under the heading of special education personnel, identified are three (3) paraprofessional positions at the Hollis Primary School (HPS) and one (1) at HUES. Based on new State requirements, being sought is the sharing of an English for Speakers of Other Languages (ESOL) Teacher position (with the COOP School District; 23% salary and benefits for each HPS and HUES).

Asked about the ESOL position and the native language the district is trying to cross-train against, Ms. Seeley remarked it is not really a language; new guidance from the State requires a certain number of hours that each teacher has to meet with each student.

Under the heading of academics, the majority of the items listed are one-time purchases.

There are no requests for new computer equipment. The district utilized Elementary and Secondary School Emergency Relief (ESSER) Funds to address those needs.

The traditional replacement cycle for computer equipment identifies yearly purchases of laptops and projectors. There are iPads that are at end-of-life and replacement has been requested by the Library and STEAM. In both schools, the district is beginning to phase in replacement of the sound systems the teachers wear around their necks (regular and special education). Access points at HPS are reaching end-of-life and require replacement. At HUES, a copier replacement is called out as well as replacement of a Smartboard (with interactive flat panels not requiring projectors).

For shared services/software (across all 3 districts), the Go Guardian filtering software will be included in the budget (was purchased through ESSER funds this year). Requested is a Facility Department truck and trailer. Also being sought is the purchase of a storage container for IT equipment. The equipment is stored in preparation for recycling (annually). The accounting software has been shifted to the Cloud (increased cost). The district has been maximizing other software (annually). IT consultation services identifies an increase over the existing cost. The current IT Transition Coordinator is retiring at the end of this school year, and there is the desire to ensure the necessary support for his replacement.

Under the heading of safety issues, bollards are identified for both buildings (prevent someone from driving into the front of the building). Homeland Security has been recommending this for several years.

For building needs, listed are a vision screener replacement for the nurse, door hardware, window shades, and no touch batteries (automatic faucets, etc.). At HUES, sought are solar powered skylight shades, bookcase replacement for the library, white board paint (27 rooms), kiln motor replacement, carpet extractor, refinish gym floor, maintenance on the diesel pump (for sprinklers), annual bleacher inspection, no touch batteries, water bottle filling stations, classroom furniture, cafeteria tables (2 sets), swing set and installation, annual mulch purchase, benches, and picnic tables.

Proposed uses of the Maintenance Expendable Trust include ceiling tile replacement (Phase I), classroom flooring (3rd grade), bathroom renovation (all bathrooms in need of updates), and window asbestos removal; asbestos is in the putty that holds the glass in. The asbestos is encapsulated.

Member Roy stated the asbestos is encapsulated. There is no risk. The windows need to be replaced and because they have this asbestos component, there is an entirely different cost associated with taking them out and replacing them. Member Hyde commented on the item identified as “Windows 2”, which began the budget review process with an identified cost of \$32,000 and has since been zeroed out. He questioned if that suggests there are other windows that will need this done at a later date. Ms. Seeley stated there to be 2 separate areas. Member Roy spoke of reductions to ensure the budget meets guidance. Member Hyde noted there will remain windows having asbestos in them to be addressed at some future date.

Member Le Doux questioned the variations in the cost listed for the bathroom renovation at HPS. Ms. Seeley remarked she has been waiting for the actual costing to come in. The \$78,000 listed is the actual cost. Chairman Gehan questioned if each of the anticipated four (4) phases of that project are of equal size/cost. Ms. Seeley stated Phase I would address two small areas and Phase II is at an anticipated cost of \$203,000 (most expensive; 1st floor and second floor bathrooms). The additional two phases are estimated to cost \$110,000 and \$160,000. The bathroom facilities have not been touched since the ‘50s. Once you begin to renovate, you are

required to address ADA compliance, which adds an additional level of expense. Asked whether the cost is associated with the larger bathrooms or individual classroom bathrooms, she explained the last phase would address the individual bathrooms that are located within some classrooms. The proposal is to make one bathroom for two classrooms that is accessible from the outside of the classroom.

Chairman Gehan requested a multi-year view of expenditures anticipated to be addressed through use of the Maintenance Trust Fund be provided the Committee. Ms. Seeley noted the CIP provides that snapshot of expenditures identified to be incurred in the outyears. The items may move from year to year depending on available funding.

Member Hyde questioned if there are identified costs included within the budget, Maintenance Trust or CIP to address the issue of spikes in electrical costs. Ms. Seeley responded although she has not spoken to him on the issue in some time, Eric Ryherd continues to review the situation. Adjustments are being made, but as of this time, they have not indicated a specific cost to remediate that. Member Leavitt remarked work continues on the control system. A review of the control system will be conducted during the winter break. What the impact of that will be is unknown until after it has been running a while. Things like the Munters unit are being instrumented in ways it was not before. It is believed it can now be controlled better; instead of running full speed all the time, it can be shut down when not needed. Member Hyde stated that to be important to be prioritized as it does kick costs up in other places.

Asked if where the demand charge is coming from has been identified, Member Leavitt spoke of the water heater where they moved the turn-on time back a few hours, which eliminated one spike completely. Where they are at this point, he was uncertain. Member Mann commented those reviewing the system are individuals who volunteer their time to evaluate that.

At HUES, listed is the sprinkler tank repair, the first phase of the flooring project to include 2 classrooms, the cafeteria, and hallways. Asked what the sprinkler tank repair entails, Ms. Seeley spoke of the inspection that was done that resulted in the identification of needed repairs.

Asked if there has been discussion of accelerating the four phases of flooring and letting a bond to cover the cost, Ms. Seeley stated that discussion has not occurred. The district is looking to not put another large expense before the taxpayers. Asked when HSTEP and HSMART leases were done, Ms. Seeley stated HSMART was done two years ago and two years prior to that was HSTEP. HSMART was a forward look of items requiring addressing.

Asked about the revenue estimate, Ms. Seeley noted the tab within the spreadsheet that identifies several years of information; April is when the district sends information to the DRA and October is when the information is revised and forwarded to the DRA for the setting of the tax rates. Revenue remains consistent with last year. Areas where work continues are special education aid and Medicaid. A lot of things are occurring that require the Director of Special Education to fine tune the numbers; will likely go up. The current estimate is \$741,790 as local revenue, which compares to what was submitted last year (\$733,970). The reason the October 2021 figure is so large is because of the return of fund balance to the tax base, which was based on spending that did not occur due to COVID.

The State Aid tab identifies what is received in November as the estimate, an update in October of next year, and the final number in March. Very often the October and March numbers do not differ. As of the November 15, 2021 estimate, they are predicting that between the Adequacy Grant and Retained State Tax, the amount will be \$2,532,665. Last year they predicted \$2,536,418.

Asked where the \$100 million comes out of (State fund), Member Mann stated it to come out of the Retained State Tax. The FY22 Retained State Tax number was \$1,378,901 and the November 15, 2021 estimate (for FY23) is \$958,501. That is because of the change to the funding formula that the Legislature passed last year. Essentially the Statewide Education Property Tax is a pool of \$363 million except for next year when it will drop to \$263 million. The extra \$100 million is not going to be offset through the local tax rate, which is what you would initially think. The Legislature passed an RSA that states the \$100 million will be made up through another portion of the Educational Trust Fund, which is comprised of lottery, tobacco taxes, etc. If the Education Trust Fund were to run short, they would have to look to the general fund. In no way is it to be offset through local taxes. It is a one-year fix unless there is legislation put through that would change it moving forward.

- Capital Improvement Plan

Member Le Doux noted the expenditures identified for the next several years and suggested it may be time to accelerate the items through letting of a 10-year bond. He spoke of the favorable bond rates at this time. Ms. Seeley stated that could be discussed with the School Board. Member Hyde remarked it is worth exploring. Chairman Gehan commented the next five years of anticipated expenses total approx. \$1.8 million. By adding a 10% contingency you would be considering a \$2 million bond. Member Le Doux suggested the Budget Committee would be remiss were it not to recommended that it, at least, be priced out.

- Anticipated School District Warrant Articles

The first two warrant articles will address the HESSA and HEA contracts, which are currently being negotiated. The third warrant article is for the Hollis School District portion of the SAU budget (\$625,021). Warrant articles for allocations to the Contingency Fund (\$95,000), SAU Maintenance Trust (\$23,970), Hollis School District Maintenance Trust Fund (\$150,000) and Special Education Trust Fund (\$25,000) would follow. The article for the operating budget totals \$14,297,406.

Asked if there are any projects identified withing the CIP for the 4 Lund Lane facility, Ms. Seeley stated last year voters approved \$15,000 to take out the bathtub and create a hallway to avoid having to walk through offices to gain access to other offices. In the process of obtaining a bid and given cost increases and delays, it is now understood the cost would basically double. Another public hearing will be conducted to add to that dollar figure to make that change at the SAU building. She stated her belief there is nothing else planned at this time.

Member Roy stated there would not be an SAU barn bond this year. The Facilities Committee has discussed other options.

Asked, Ms. Seeley stated her recollection is that this is year 3 for the Special Education Trust, and her belief the balance would be \$75,000 with a goal of \$225,000-\$250,000.

Asked about long-term plans for the barn, Member Roy stated the Facilities Committee has consulted real estate attorneys and has looked at the whole school community and population. Being discussed now is sub-dividing the land and selling what is currently used as the SAU offices, along with the barn, as commercial property. There is about 11 acres of land that comprises the SAU field that the HPS students use for gym classes and recreation as well as the woods behind that area. What the committee has looked at is erecting a new building on the property that would have a section that could house a tenant, the SAU offices, as well as having educational space for Pre-K, K and special education students. That would relieve some of the growth seen coming into the main building at HPS by moving the pre-K, K and special education into a new building on the

other side of the field. The committee is pursuing those options and will come before the School Board when a plan is in place for consideration.

Asked about the number of retirements, Member Roy stated the School Board has been informed of 5 retirements. She is uncertain if any additional retirements are anticipated. Ms. Seeley stated December 1st to be the deadline to provide notification in order to receive the bonus outlined in the CBA (in July). If retiring after December 1st, there is the requirement to wait until the following year to receive the bonus.

- Other New Business

Chairman Gehan spoke of meetings scheduled for January 10th, 11th, and 31st. Given the progress made the prior night and tonight, he suggested there is not the need for two meetings. The January 10th meeting will be cancelled. The Committee could meet on the 11th for its regular meeting, handle the Town warrant, and the hope to be able to discuss the potential of a bond for the school maintenance items. If that is the direction taken, a public hearing would have to be scheduled/conducted by the school board.

ADJOURNMENT

MOTION BY MEMBER HARRIS TO ADJOURN MOTION SECONDED BY MEMBER HYDE

A Viva Voce Roll Call vote was taken, which resulted as follows:

Yea: Lorin Rydstrom, Mike Leavitt, Christopher Hyde, Tom Gehan, Mike Harris, Darlene Mann,
Mark Le Doux, Carryl Roy

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Nay:

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MOTION CARRIED

The December 7, 2021, meeting of the Hollis Budget Committee was adjourned at 8:04 p.m.

Date _____ Signed _____