



## BUDGET COMMITTEE

# Town of Hollis

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## Minutes of February 11, 2009

Meeting was held in the Community Room, Hollis Town Hall and was called to order by Chairman, Chris Hyde at 6:30 PM

Members present: Chris Hyde, Chairman; Mike Harris, Vice Chairman; Bill Beauregard, School Board Representative; Tom Jambard, Bob Labednick, Lorin Rystrom, Frank Whittemore.

Also present: Susan Hodgdon, Superintendent; Dawna Duhamel, Business Administrator; Candi Fowler, Principal HUES; Elizabeth Allen, Principal HPS; Carol Mace, Director of Curriculum; Maura Loftus, Susan Benz, James McMann, Alison Haytayan, School Board Members

Hyde reads introduction letter to the public, where he explains the Budget Committee's duties and responsibilities as authorized by NH RSA 32:1 and the process of providing budget guidance. This guidance is developed using a formula based on inflation, growth in population, mandated service costs, a perceived demand for service levels and costs, with some cost items left outside the guidance, such as debt service and self funding programs. He further explains the process of budget presentations to the public and how valuable it is for the BudCom to hear public input. He displays a graph depicting 14 years worth of history on a select group of 15 properties all in the \$350,000 assessment range. This shows the average tax bill for these homes has increased from \$6,473 to \$8,638 over the past 5 years. This is a 33% increase, which equates to a 5.9% compound growth rate. He ends his introduction by stressing to the public that the choice is ultimately up to the voters at the annual meetings.

### **2009-2010 School Budget – Public Hearing**

Beauregard begins by presenting the current enrollment figures for the Hollis Elementary Schools. Both schools have seen reductions in enrollment. The Primary School is at 348 students, which is a -10.8% change over last year. The Upper Elementary is at 388, which is a -2.8% change. School wide the total enrollment is down 6.3%. The total enrollment is at 740 with a total school capacity of 852. The NESCEC population forecast shows this declining to 600 students in the next few years. It will be a challenge determining how to deal with this decline. They have already reduced the 1<sup>st</sup> grade section for this year.

Beauregard points out several significant accomplishments. The first is a math plan implementation. They have worked hard at researching this information. This plan will coordinate math at the entire SAU level, not just the elementary level. They would like to see all students entering Jr. High to be at or above this level. They are not looking to change the curriculum, but changing the tools used to teach this curriculum. Is there a better math text book to focus on the objective? Candi Fowler has been heading this research process and expects to have a decision by the end of this school year. They are hoping to implement these new tools by September 2009.

Literacy instruction improvements have been ongoing. Much work was done last summer to implement a program to improve reading at HPS. This is also continuing into the HUES. The NECAP testing last year for 5<sup>th</sup> grade writing showed a low score. They are looking to improve this. The writing scores for this year show improvement, yet the test was performed on a different cohort, therefore it is hard to compare. Fowler explains that last year's 5<sup>th</sup> grade will not be tested again until they are in the 8<sup>th</sup> grade. It will be hard to extrapolate those test scores in the future to verify improvement, as those students will then be part of the coop district. They are trying to get like data to help with comparisons and to help drive educational practices.

Beauregard explains how they are also looking to make changes to align class schedules for more flexible groupings for the students. They are also going towards having teacher coaches rather than the curriculum coordinators. The curriculum coordinator positions are currently open this year, with no plans to hire replacements. The coaches will work with both

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teachers and students in both math and literacy. This will help to bring best practices into the classrooms. So far this has been effective and they wish to continue. They are also initiating a new teacher evaluation model, which is more objective and comprehensive. They have received good feedback from the staff on this model.

Infrastructure changes over the past year include the hiring of a new superintendent, 2 new principals, 1 new assistant principal and a new director of maintenance. The 2 curriculum coordinator administrative positions have been removed. They are currently in the 2<sup>nd</sup> year of the collective bargaining agreement. New software has been implemented to communicate with the community, which allows for a single phone call or email to send out important information. This is very flexible and easy to use. Last year they saw an \$8,000 shortfall in the food service budget. Over the summer the food service program was thoroughly reviewed. Based on these findings, lunch prices were increased slightly and this budget is now back in the black.

This coming year, 2009-2010, the new math text books should be implemented, including teacher training for the use of these new tools. A new Assistant Director for Special Education will be hired to evaluate efficiency, effectiveness and coordination within and between schools. This position should actually help to save money. They are looking to acquire a new student information system this year. The old software is no longer supported by the manufacturer. This is used to track student data, report cards, medical information, emergency contact and educational performance. A consultant will be brought in to work with the superintendent and principals to help inventory the current datasets in use, to find logical and efficient ways to bring information together. The inventory will be done this year with implementation done next year. They are looking to enhance an SAU wide coordination.

Harris asks if the math and literacy curriculum is capable of handling students with higher level abilities. Fowler explains that this is a K-12 curriculum, which allows for some accelerated teaching. They do not have a mechanism in place to have a higher education teacher supporting these students, and it is not appropriate to send elementary students up to the jr high or high school, although it would make sense to bring the teacher down to them.

The BudCom presented the school with a well defined guidance process of a 1.8% increase, which was to include everything from the budget except for Special Education, food service, special revenue and the expendable trust. This guidance allowed for an increase of \$149,458.

The school board asked the administration to come up with a flat budget with a prioritized list of needs. As a result, they have created a budget that is under guidance and \$21,000 less than last year's budget. The total requested appropriation is \$11,350,311. This includes the operating budget of \$11,069,678 (Article 2), the collective bargaining agreement for professional staff for \$157,137 (Article 3), the collective bargaining agreement for support staff for \$40,230 (Article 5) and maintenance expendable trusts totaling \$83,266 (Articles 7 & 8).

The gross appropriation of \$11,350,311 is offset by ESL revenue of \$41,512 and \$8,000 for the expendable trust, leaving a proposed budget of \$11,300,799, which is \$21,545 less than the FY09 budget, giving a -.2% change.

Forecasted revenues are showing a decline of \$164,868. Most of this is due to State Sources and the Adequate Education Grant. These figures are based on what the State has been offering to the Business Administrator. They are also anticipating less unexpended funds this year. Duhamel explains that the State grant data was obtained from the State's website. These are the latest numbers published.

Harris comments that the State grants are subject to change. He is concerned why they are showing the unexpended fund balance, which is normally not advertised at this time of year. Beauregard explains that this is an estimate based on the contingency fund, which they have no plans to spend at this time. Harris argues that they should not be showing this as revenue at this time of year, even though there are no plans to spend. This should not be shown at town meeting. Beauregard agrees that this is an item that is subject to change by the end of the school year. Rydstrom agrees that this should not be shown on the slide at town meeting. If, after 6 months into the current budget they can estimate that these funds will not be used, then the proposed contingency budget should be cut in half. Beauregard agrees to remove some of these figures from his presentation at the annual meeting, however it will impact the project tax impact.

Beauregard presents several pie charts to the public. The first chart shows the total proposed budget by category. This is a good visual image that depicts how 2/3 of the entire budget is for salaries and benefits. Harris points out how special education is 20% of the budget. The next chart shows the major budget increases and the final chart shows the major budget decreases.

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<b>BudCom Guidance Formula</b>		
	<b>Guidance for FY 2010</b>	<b>FY 2009</b>
Operating Budget from MS22	\$10,775,102	\$10,359,585
+ Expendable Trust	81,632	96,882
+ Special Revenue	130,000	122,041
+ Food Service	335,610	302,087
<b>Approved Budget per MS22</b>	<b>\$11,322,344</b>	<b>\$10,880,595</b>
- Special Revenue	130,000	122,041
- Food Service	335,610	302,087
- Expendable Trust	81,632	-
- Debts Service	397,431	402,988
- Special Education – Non administrative	2,074,475	2,013,761
<b>Recommended Budget Base</b>	<b>\$8,303,196</b>	<b>\$8,039,718</b>
Guidance Percent Increase	1.8%	1.8%
<b>Guidance Increase to Budget</b>	<b>149,458</b>	<b>144,715</b>
<b>Budget Base + Guidance Increase</b>	<b>\$8,452,654</b>	<b>\$8,184,433</b>
+ Other – maintenance needs	-	-
+ Special Revenue	130,000	130,000
+ Food Service	325,000	325,000
+ Expendable Trust	75,266	73,632
+ Debt Service	391,778	397,431
+ Special Education – Non Administrative	2,261,287	2,074,475
<b>Total Recommended Budget</b>	<b>\$11,635,985</b>	<b>\$11,184,971</b>
Total Requesting	11,342,311	11,274,223
<b>Amount (Over)/Under Guidance</b>	<b>\$293,674</b>	<b>\$(89,253)</b>

<b>Budget Summary by Cost Category</b>			
	<b>FY 2009 Budget</b>	<b>Proposed FY 2010 Budget</b>	<b>\$ Change</b>
<b>Items within BudCom Guidance</b>			
HEA Salaries	\$3,301,078	\$3,350,580	\$49,502
HESSA Salaries	569,952	540,536	(55,414)
Administration Salaries	923,453	836,096	(87,357)
Total Salaries	4,794,483	4,727,212	(67,271)
Benefits	2,166,606	2,075,362	(91,244)
Total – Salaries & Benefits	6,961,089	6,802,574	(158,515)
Administration	1,057,692	1,172,623	114,931
Program Materials & Expendables	232,742	183,783	(48,959)
<b>Total Items w/in BudCom Guidance</b>	<b>\$8,251,523</b>	<b>\$8,158,980</b>	<b>\$(92,543)</b>
<b>Items Outside BudCom Guidance</b>			
Special Education non-admin Salaries	1,603,702	1,614,095	10,393
Special Education Programs & Materials	533,056	647,192	114,136
Total Special Education non-admin	2,136,758	2,261,287	124,529
Bonds & Transfers	934,063	922,044	(12,019)
<b>Total Items Outside BudCom Guidance</b>	<b>\$3,070,821</b>	<b>\$3,183,331</b>	<b>\$112,510</b>
<b>Total Requested Appropriations</b>	<b>\$11,322,344</b>	<b>\$11,342,311</b>	<b>\$19,967</b>

**Warrant Articles**

1. Elections – Non money article.
2. Operating Budget - \$11,069,678.
3. Collective Bargaining Agreement for Professional Staff - \$157,137. This includes a 1% increase to salary and a 4% step increase (52% of the staff) or if they are on the last step, a 2.5% increase (48% of the staff), and an increase to the health cap of \$50.00 per month. Health insurance costs \$18,000, with the school covering \$13,000. This is approximately 72%. Harris points out that medical costs keep increasing. He questions if the salary increases will be eaten up by the increase to medical. This information may be relevant for future negotiations. Beauregard will research this.

Rydstrom asks if there has been any discussion about asking the Unions to forego their contracted increased based on what is going on in the world today. Beauregard states that they have not submitted a formal request to the Unions for this, yet they did send a memo with a suggestion, but have not received any indication of interest in this idea. Hyde points out that the voters have the ability to vote on the collective bargaining agreements each year. Rydstrom comments that he can understand from the school board's perspective where they need to support this article, yet from a taxpayer perspective they may wish to vote against this article.

4. Contingency for Article 3 – Should Article 3 be defeated, this allows the school board to call a special meeting to address cost items only.
5. Collective Bargaining Agreement for Support Staff - \$40,230. This is the 2<sup>nd</sup> year of a 2 year agreement. It includes a 2.75% flat increase across the board with no step increases.
6. Contingency for Article 5 – Should Article 5 be defeated, this allows the school board to call a special meeting to address cost items only.
7. SAU Expendable Trust - \$8,000. This is revenue received for rental of the SAU building. This trust fund carries forward to help save for major maintenance items at the SAU office. The School Board must approve any expenditures, with BudCom guidance. Hyde asks if they have considered adjusting the lease agreement for real market value. He believes this is costing the Hollis School District more than it should.
8. School Buildings Expendable Trust – Up to \$75,266. These funds come from any unreserved fund balance. This trust fund also carries forward for major maintenance items at both elementary schools. They have a detailed priority list of maintenance needs.
9. Catastrophic Aid Funds – This allows the schools to access future year state and federal catastrophic aid funds in the event special education costs exceed the budget.

**Public Comments**

Harry Haytayan – He wants to be clear on the law governing the collective bargain agreement. Should the agreement not be approved by the voters, is the District obligated to pay these costs out of the operating budget. Harris explains that if this is not approved, the contract is gone. Haytayan would prefer to have the school board verify this with town counsel before the annual meeting.

Vahrij Manoukian – He apologizes for not having any Selectmen representation at the meeting this evening. It just came to his attention and he rushed down here to attend. Hyde asks him to sit at the table to vote with the rest of the BudCom.

There being No further comments from the floor, the Public Hearing portion of the meeting is closed. Public Hearing closed at 8:00 pm.

**Discussion and Vote on Warrant Articles**

1. Elections – No BudCom action required
2. Operating Budget – Harris moves to recommend Article 2. Seconded by Jambard. The Motion passes 8-0-0. Voting in favor of the Motion – Rydstrom, Labednick, Jambard, Whittemore, Hyde, Harris, Beauregard, Manoukian.
3. Collective Bargaining Agreement for Professional Staff – Harris moves to recommend Article 3. Seconded by Jambard. The Motion passes 5-2-1. Voting in favor of the Motion – Labednick, Jambard, Whittemore, Harris, Beauregard. Voting in opposition of the Motion – Rydstrom, Hyde. Abstaining - Manoukian
4. Contingency for Article 3 – Harris moves to recommend Article 4. Seconded by Rydstrom. The Motion passes 6-1-1. Voting in favor of the Motion – Labednick, Jambard, Whittemore, Harris, Beauregard, Hyde. Voting in opposition of the Motion – Rydstrom. Abstaining - Manoukian
5. Collective Bargaining Agreement for Support Staff – Harris moves to recommend Article 5. Seconded by Rydstrom. The Motion passes 6-1-1. Voting in favor of the Motion – Labednick, Jambard, Whittemore, Harris, Beauregard, Hyde. Voting in opposition of the Motion – Rydstrom. Abstaining - Manoukian
6. Contingency for Article 5 – Harris moves to recommend Article 6. Seconded by Rydstrom. The Motion passes 6-1-1. Voting in favor of the Motion – Labednick, Jambard, Whittemore, Harris, Beauregard, Hyde. Voting in opposition of the Motion – Rydstrom. Abstaining - Manoukian
7. SAU Expendable Trust – Harris moves to recommend Article 7. Seconded by Rydstrom. The Motion passes 7-0-1. Voting in favor of the Motion – Rydstrom, Labednick, Jambard, Whittemore, Harris, Beauregard, Hyde. Abstaining - Manoukian.
8. School Buildings Expendable Trust – Harris moves to recommend Article 8. Seconded by Rydstrom. The Motion passes 6-1-1. Voting in favor of the Motion – Labednick, Jambard, Whittemore, Harris, Beauregard, Hyde. Voting in opposition of the Motion – Rydstrom. Abstaining - Manoukian
9. Catastrophic Aid Funds – Harris moves to recommend Article 9. Seconded by Rydstrom. The Motion passes 8-0-0. Voting in favor of the Motion – Rydstrom, Labednick, Jambard, Whittemore, Hyde, Harris, Beauregard, Manoukian.

*Manoukian moves to adjourn. Seconded by Bob. Motion unanimously approved.*

Meeting adjourned at 8:10 PM.

Respectfully submitted,

Deborah Adams, Secretary