

BUDGET COMMITTEE

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

FINAL minutes of January 8, 2024
Meeting was held in the Community Room, Hollis Town Hall.

The Budget Committee was called to order by Tom Gehan at 7:07pm.

Members present: Tom Gehan, Chair; Mike Harris; Darlene Mann; Chris Hyde; Mike Leavitt; Mark Kost; Mark LeDoux, Select Board Representative; Anne Wake-DePasquale, School Board Representative;
Officials present: Jacob Fitzgerald, Finance Director; Lori Radke, Town Administrator; David Petry, Select Board Chair; Susan Benz, Select Board; Tom Whalen, Select Board; Joe Garruba, Select Board

Review/Acceptance of Meeting Minutes

Draft Budget Committee Minutes – December 11, 2023

MOVED by M. Harris and seconded by C. Hyde to approve the minutes. The motion PASSED 8-0-0.

Draft Budget Committee Minutes – December 12, 2023

MOVED by M. Harris and seconded by C. Hyde to approve the minutes as amended. The motion PASSED 7-0-1 with A. Wake-DePasquale abstaining.

Public Input

MayLou Ward of 165 Witches Spring Road spoke against RSA 41:14, which would allow the Select Board to buy or sell land without the need for town meeting approval. She believes that, if a property becomes available, a special town meeting could be held.

D. Petry responded that the warrant article pertaining to RSA 41:14 will be removed due to misinformation and misleading comments throughout town.

Paul Miller of 6 Farm Pond Lane questioned when the Select Board will have the formal vote to remove the warrant article, and D. Petry stated that the articles will be discussed on January 22nd and formal votes will be conducted on February 5th.

Pam Hicks of 8 Maple Knoll Drive spoke against RSA 41:14. She believes the town residents should be able to vote on acquiring land, but allowing the Select Board to acquire land takes away that right.

Old Business

T. Gehan stated that the original Operating Budget proposal came in over guidance, but has now been reduced to an amount that meets guidance. In order to meet guidance, the Select Board has decided to defund vacant positions with the exception of two positions that are in the process of being filled. There

was also a reduction in the audit fee, since there will not be a single audit due to the timing of expenditure of federal funds. Currently, the operating budget is now \$14,160,524.

J. Fitzgerald stated that there were some changes to the non-tax revenues which will lower the tax effort. The changes include an increase in budget for Meals and Rooms Tax, increase in Motor Vehicle permit fees, increase in Block Grant revenue, and an increase in sales of municipal property.

J. Garruba questioned the Capital Reserve budget transfers. J. Fitzgerald responded that the transfers are not part of the operating budget, but are part of the warrant articles presented at town meeting.

On the Capital Improvement Plan, the Select Board has elected to change the funding for an excavator from a 4 to 5-year lease to using Unassigned Fund Balance. C. Hyde questioned the difference had the town leased an excavator, and J. Fitzgerald that there would be approximately a \$30,000 difference. M. Kost questioned the overall cost of the Farley Building, and D. Sullivan responded that it would cost approximately \$5 million to change it to a town community center.

J. Fitzgerald stated that the proposed warrant article regarding the Contingency Fund has changed from \$100,000 to \$70,000.

L. Radke spoke about the Elderly Exemption Modification warrant article. In 2022, the assessed value exempted was \$7,927,600, with a property tax impact of \$178,926. In 2023, the assessed value exempted was \$7,892,700, with a property tax impact of \$131,492. Should the warrant article pass, the proposed assessed value exempted for 2024 will be \$11,824,200, with a property tax impact of \$196,991. The 2024 amounts are estimates, as the deadline to submit an application for the exemption has not passed.

David Sullivan, Chair of the Farley Building Community Center Committee, spoke about the proposed warrant article to raise and appropriate \$300,000 for the purpose of further Farley Building renovations. Designs and documents would be obtained through the use of the funds in order to go out to bid for future renovation costs. The community center will offer an additional 12,000 sq. ft. of usable meeting space for town residents.

The proposed cost to tear down and rebuild the Farley Building is approximately \$7 million. Grant applications are being researched, along with a request for private donations, to assist with funding the completion of the project. There would be a warrant article for bond vote in 2025 for any remaining funds needed. There have been a handful of assessments completed to assess risk, with many issues already remedied.

M. Kost would like information on the cost of bonding for the Farley building project, along with future projects to understand the potential tax impact.

Should the warrant article pass, the plans would be usable even if the town does not approve a renovation bond in 2025. The parking lot would hold space for eighty-five cars. Water and septic would be self-contained.

T. Gehan noted that there are a few bonds coming off in 2028, but the town/COOP will be paying on bonds until then. He would like clear information on what the proposal would include when presented to the public.

J. Fitzgerald presented on the cost of the Fleet Management proposed article compared to our traditional capital leasing costs. It was stated that the cost through Enterprise Fleet Management would be more in year one due to the upfit cost, but less in subsequent periods than through capital leasing. There is an escape clause, but M. Kost questioned if there are any penalties should it not be the right option for the town. He would like a year one post audit performed to assure that it would continue to be the right option. D. Mann confirmed that the participation agreement would be until rescinded. J. Fitzgerald stated that the current make-up is for 10 cars, but the number of vehicle replacements will fluctuate throughout the years. Future funding sources should be considered once the program is a demonstrated success to determine the appropriate funding source, whether that may be an annual warrant article, operating budget funding, or a fleet management capital reserve fund.

C. Hyde would like a comparison on the cost through Enterprise Fleet Management versus the capital lease program. J. Fitzgerald stated that the first-year cost will be less than stated due to when the cars would be available. It was presented on a 12-month basis for transparency. In the future, the ongoing costs would roll into the operating budget and factored in for guidance as is done with all other leases. T. Gehan believes it is important to give a more accurate number based on when the vehicles would be received. M. LeDoux responded that the language of the article should say “not to exceed” a certain number since the exact number is unclear. J. Fitzgerald will be reaching out to his contact to get a more accurate lead time, but he has been previously told that is generally a quick process.

The deadline for petition warrant articles is February 6th.

New Business

MOVED by M. Harris and seconded by C. Hyde to accept the recommended \$14,160,524 operating budget as amended. The motion PASSED 8-0-0.

- January 9, 2024 Budget Committee meeting has been canceled.
- Public Hearing for the Town of Hollis – February 5th, alternate date February 7th at 6pm
- Public Hearing for the Schools – February 6th, alternate date February 8th at 6pm
- Public Hearing for the CO-OP – February 13th, alternate date February 14th at 6:30pm
- Election Day – March 12th
- Annual meeting for the schools – March 14th (middle school)
- Town meeting – March 16th at 9am (high school)
- Annual meeting for the CO-OP – March 19th (high school)

Adjournment: Motion to adjourn by M. LeDoux and seconded by M. Harris. The motion PASSED unanimously 8-0-0.