



BUDGET COMMITTEE
Town of Hollis
Seven Monument Square
Hollis, New Hampshire 03049
Tel. 465-2209 FAX 465-3701

Minutes of February 2, 2016

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Tom Gehan at 6:34 PM.

Members present: Susan Benz, Frank Cadwell – Selectman Rep, Tom Gehan, Mike Harris, Chris Hyde, Tom Jambard, David Sacks – School Board Rep (arrived 7:00 PM), Frank Whittemore
Others present: Peter Band – Selectman, Tom Bayrd – DPW Director, Dawn Desaulniers – IT Director, Kim Galipeau – Town Administrator, Deb Padykula – Finance Officer, David Petry – Selectman, Jay Sartell – Police Chief, Rick Towne – Fire Chief

Pledge of Allegiance was recited.

Selectman Petry called the selectmen's meeting to order at 6:36 PM.

Approval of Minutes

Chris H. moved to accept the minutes of 1/26/16. Mike H. seconded. Vote was 6-0-1. Mike H. abstained. Minutes were accepted.

Upcoming Meetings:

Tom G. reviewed upcoming meetings: Tonight's meeting is the Hollis Town Budget Public Hearing. He stated that articles 2, 3, and 4 will be discussed next week at a special bond hearing on February 8.

- February 3: Hollis School District Budget Public Hearing
- February 8: Continuation of Town Budget Public Hearing / Land Acquisition Bond Hearing
- February 18: COOP Budget Public Hearing
- March 8: Town Elections
- March 12: Town Meeting
- March 17: Hollis School District Annual Meeting
- March 23: COOP District Annual Meeting

Budget Process:

Tom G. discussed the assumptions and methodology that go into developing the town and school district budgets each year. 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 .5% increase in the tax base was assumed when developing the guidance for FY16. He stated that the guidance budget was increased by \$163K (2.0%). Tom G. reviewed the number of town employees, buildings and infrastructure for which the town is responsible. He also discussed the reduction in debt service costs resulting from bond retirement and refinancing. Tom G. stated that the unassigned fund balance is \$3.0M, which is \$500K above Moody's recommendation. He said that several warrant articles propose using some of the excess to fund proposed FY16 projects.

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Warrant Overview:

Tom G. reiterated that articles 2, 3, and 4 will be discussed on February 8. He then made a quick review of the anticipated warrant articles on the town side. A preliminary estimate of the town portion of the tax rate results in a \$0.02 increase (0.3%). This reflects an anticipated revenue decrease of \$141K and assumes all warrants as currently written will pass. There will be no costs in 2016 for any of proposed bond for land acquisition articles. Tom G. stated that if all of the budget warrant articles pass as proposed, the projected total tax rate could increase to \$23.62, up from \$23.02 in 2015 (a 2.6% increase).

Discussion of Warrant Articles

ARTICLE 1 - Officials Reports

To hear reports of the Board of Selectmen, other Town Officers and Committees. – No discussion necessary.

ARTICLE 2 – Bond for Land Acquisition

To see if the Town will vote to raise and appropriate the sum of **\$2,250,000.00** (gross budget) to acquire full ownership interest to certain tracts or parcels of land, together with any buildings thereon, in the Town of Hollis more particularly specified below, on such terms and conditions as determined by the Board of Selectmen, and to authorize the issuance of not more than **\$2,250,000.00** of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33); also, to authorize the Board of Selectmen to issue and negotiate such bonds or notes and to determine the rate of interest thereon. The Selectmen are hereby also authorized to apply for and accept gifts, grants or other forms of assistance, if any, in order to offset the raising and appropriating of the funds referenced above.

The certain tracts or parcels of land which are to be purchased with the above appropriations are known collectively as the Birch Properties and, more particularly, include the following:

Birch Properties

Tract(s) or Parcel(s) of Land	Size	Title Ref
M/L 28-53	11.73	8498/2328 (parcel 9)
M/L 34-10	68.00	8498/2328 (parcel 5)
M/L 34-15	21.00	8498/2328 (parcel 7)
M/L 34-19	9.34	8498/2328 (parcel 8)
M/L 28-59	131.50	8498/2334
M/L 28-17	34.98	6323/0850 (parcel 2)
M/L 34-03	1.00	6323/0850 (parcel 1)
M/L 34-04	15.6	6323/0850 (parcel 3)
M/L 34-08	25.00	6323/0850 (parcel 4)
M/L 34-09	21.00	6323/0850 (parcel 5)
M/L 34-13	15.00	6323/0850 (parcel 6)
	354.15 acres	

This will be a non-lapsing appropriation per RSA 32:7, III and will not lapse until the purpose for which the appropriation is made shall be completed. This is a special warrant article pursuant to RSA 32:3 (VI)(b). The selectmen recommend this appropriation. The budget committee (recommends/does not recommend) this appropriation. (2/3 ballot vote required).

To be discussed at Land Acquisition Bond Hearing on February 8, 2016.

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ARTICLE 3 – Bond for Land Acquisition

To see if the Town will vote to raise and appropriate the sum of \$2,550,000.00 (gross budget) to acquire full ownership interest to certain tracts or parcels of land, together with any buildings thereon, in the Town of Hollis more particularly specified below, on such terms and conditions as determined by the Board of Selectmen, and to authorize the issuance of not more than \$2,550,000.00 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33); also, to authorize the Board of Selectmen to issue and negotiate such bonds or notes and to determine the rate of interest thereon. The Selectmen are hereby also authorized to apply for and accept gifts, grants or other forms of assistance, if any, in order to offset the raising and appropriating of the funds referenced above.

The certain tracts or parcels of land which are to be purchased with the above appropriations are known collectively as the Bell Heirs - Rocky Pond Properties and, more particularly, include the following:

Rocky Pond Properties		
Tract(s) or Parcel(s) of Land	Size	
M/L 22-06	14.03	
M/L 22-07 (1)	0.34	
M/L 22-07 (2)	7.24	
M/L 22-08	5.25	
M/L 22-10	5.45	
M/L 22-16	1.47	
M/L 22-36	2.96	
		36.74
M/L 28-01-01	7.04	
M/L 28-01-02	3.76	
M/L 28-01-03	8.57	
M/L 28-01-04	7.38	
M/L 28-09	15.82	
M/L 28-48	31.78	
M/L 28-48-01	9.89	
M/L 28-48-02	10.64	
M/L 28-48-03	9.25	
		104.13
		140.87 acres

This will be a non-lapsing appropriation per RSA 32:7, III and will not lapse until the purpose for which the appropriation is made shall be completed. This is a special warrant article pursuant to RSA 32:3 (VI)(b). The selectmen recommend this appropriation. The budget committee (recommends/does not recommend) this appropriation. (2/3 ballot vote required).

To be discussed at Land Acquisition Bond Hearing on February 8, 2016.

ARTICLE 4 – Bond for Land Acquisition

To see if the Town will vote to raise and appropriate the sum of **\$2,550,000.00** (gross budget) to acquire full ownership interest to certain tracts or parcels of land, together with any buildings thereon, in the Town of Hollis more particularly specified below, on such terms and conditions as determined by the Board of Selectmen, and to authorize the issuance of not more than **\$2,550,000.00** of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33); also, to authorize the Board of Selectmen to issue and negotiate such bonds or notes and to determine the rate of interest thereon. The Selectmen are hereby also authorized to apply for and accept gifts, grants or other forms of assistance, if any, in order to offset the raising and appropriating of the funds referenced above.

The certain tracts or parcels of land which are to be purchased with the above appropriations are known collectively as the Stefanowicz Properties and, more particularly, include the following:

Stefanowicz Properties

Tract(s) or Parcel(s) of Land	Size
M/L 32-01	185.84
M/L 32-02	1.39
	187.23 acres

This will be a non-lapsing appropriation per RSA 32:7, III and will not lapse until the purpose for which the appropriation is made shall be completed. This is a special warrant article pursuant to RSA 32:3 (VI)(b). The selectmen recommend this appropriation. The budget committee (recommends/does not recommend) this appropriation. (2/3 ballot vote required).

To be discussed at Land Acquisition Bond Hearing on February 8, 2016.

ARTICLE 5 – Athletic Field

To see if the Town will vote to raise and appropriate the sum of up to \$125,000 for the purpose of doing site preparation for and constructing playing fields and other improvements on town owned property shown on the Hollis Tax Maps Map 018, Lot 014, as the Board of Selectmen deem appropriate, said funds to come from the unassigned fund balance as of December 31, 2015, if available. No amount to be raised from taxation.

Recommended by Selectmen

Chris H. suggested adding what the tax impact would be if taxes were used in lieu of the unassigned fund balance.

Maryanne Shanley (Buttonwood Dr.) asked for clarification regarding the unassigned fund balance and stated her support for the new field.

ARTICLE 6 - Dump Truck Lease Purchase

To see if the Town will vote to authorize the selectmen pursuant to RSA 33:7-e to enter into a five (5) year lease purchase agreement for the sum of \$169,000, plus interest, for the purpose of lease purchasing one (1) dump truck with equipment and attachments for the Public Works Department with a \$1.00 purchase option at the end of the lease term, and to raise and appropriate the sum of \$18,500 for the first year's payment for that purpose. This lease purchase agreement contains an escape clause.

FY16	FY17	FY18	FY19	FY20	FY21	TOTAL
\$18,500	\$37,000	\$37,000	\$37,000	\$37,000	\$18,500	\$185,000

Recommended by Selectmen

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

Drew Mason (Baxter Rd.) asked if this is a replacement or addition.
Tom B. replied that it is a replacement.

ARTICLE 7 - Loader Lease Purchase

To see if the Town will vote to authorize the selectmen pursuant to RSA 33:7-e to enter into a five (5) year lease purchase agreement for the sum of \$208,000, plus interest, for the purpose of lease purchasing one (1) loader with equipment and attachments for the Public Works Department with a \$1.00 purchase option at the end of the lease term, and to raise and appropriate the sum of \$22,600 for the first year's payment for that purpose. This lease purchase agreement contains an escape clause.

FY16	FY17	FY18	FY19	FY20	FY21	TOTAL
\$22,600	\$45,200	\$45,200	\$45,200	\$45,200	\$22,600	\$226,000

Recommended by Selectmen

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

Tom B. confirmed that this is a replacement and that it would be equipped with a snow plow.
Chris H. suggested providing the tax impact for subsequent years.
Maryanne Shanley (Buttonwood Dr.) asked what the loader is and how many are owned by the town.
Tom B. replied that it is a front end loader and the town currently owns two, but one is no longer functional and will be sold for scrap.

ARTICLE 8 - Old Home Day Special Revenue Fund

To see if the Town will vote to raise and appropriate the sum of \$50,000 for the purpose of sponsoring the Old Home Days event and to fund this appropriation by authorizing the withdrawal of said sum from the Old Home Day Special Revenue Fund. This article will not affect the tax rate, as these funds will be raised from fees and donations.

Recommended by Selectmen

Estimated Tax Impact - \$0. Offset by Revenue.

No public comment.

ARTICLE 9 - Compensated Absences Payable Expendable Trust Fund

To see if the Town will vote to raise and appropriate \$40,000 to be placed in the Compensated Absences Payable Expendable Trust Fund as previously established at the 2002 Annual Town Meeting.

Recommended by Selectmen

Estimated Gross Tax Impact - \$0.03/\$1,000

Tom G. explained that the town is liable for accrued earned time in the event that employment is terminated. The purpose of this article is to have a reserve in place for this contingent liability. Five employees left during 2015, drawing \$34.8K from the fund. At the end of FY15 the town's liability was \$246K and the fund's balance was \$40K. Tom G. stated that the town was contractually obligated to allow employees to accrue time and that pending collective bargaining agreements are more conservative.

Drew Mason (Baxter Rd.) recommended funding \$70K to bring the balance closer to 50% of the liability. He asked what the Selectmen were doing to contractually reduce this liability.

David P. stated that sick/earned time has been combined into one paid time off category and the maximum accrued hours for new hires is now 360 instead of the previous 500 hour limit.

Maryanne Shanley (Buttonwood Dr.) asked what the worst case scenario was if several employees leave in 2016.

David P. replied that the contingency fund would need to be used if terminations exceeded the fund balance.

ARTICLE 10 - Revaluation Capital Reserve Fund

To see if the Town will vote to raise and appropriate \$14,000 to be placed in the Revaluation Capital Reserve Fund as previously established at the 1996 Annual Town Meeting.

Recommended by Selectmen

Estimated Gross Tax Impact - \$0.01/\$1,000

Tom G. explained that NH state law requires a town wide property reevaluation every 5 years which costs ~\$70K to administer. This article attempts to fund this expense over several years to lessen the tax rate impact.

ARTICLE 11 - Municipal Buildings and Facilities Maintenance Expendable Trust Fund

To see if the Town will vote to raise and appropriate \$150,000 to be placed in the Municipal Buildings and Facilities Maintenance Expendable Trust Fund as previously established at the 2008 Annual Town Meeting and amended by the 2009 Annual Town Meeting.

Recommended by Selectmen

Estimated Gross Tax Impact - \$0.12/\$1,000

Tom G. reviewed the fund balance and proposed FY16 projects.

Chris H. asked to add a slide reviewing what was done during FY15.

Susan B. asked if the library parking lot was being paid 100% by the town.

Chris H. stated that the church is paying \$10K and the library and town are paying the remainder.

Deb P. stated \$150K was carried forward from 2015 – the project was supposed to happen last year and was not completed.

Maryanne Shanley (Buttonwood Dr.) asked if the town was trying to keep the projected ending balance at a set amount.

David P. said that it varies depending on planned projects and unanticipated events.

Deb P. stated that FY15 had \$20K in unplanned expenditures.

Sherry Wyskiel (Wheeler Rd.) asked if the generator being installed at the Lawrence Barn meant that the barn could be used during emergency situations.

David P. answered yes.

ARTICLE 12 – Establish a Contingency Fund

To see if the Town will authorize the establishment of a contingency fund under the provisions of RSA 31:98-a for the purpose of funding unanticipated expenses that may arise during the year. Furthermore, to raise and appropriate \$70,000 towards this purpose and appoint the selectmen as agents to expend from said fund.

Recommended by Selectmen

Estimated Gross Tax Impact - \$0.06/\$1,000

Maryanne Shanley (Buttonwood Dr.) asked for the current fund balance.

Tom G. replied that it is the same every year and if it is not expended it is rolled into the unassigned fund balance.

ARTICLE 13 - Collective Bargaining Agreement, Local 3657 (Police/Fire/Communications)

To see if the Town will vote to approve the cost items included in the Collective Bargaining Agreement reached between the Town of Hollis and AFSCME Local 3657, and in doing so, to approve the cost items within said agreement, which calls for the following increases for salaries and benefits over what was raised under any current agreements for the employees of the Union and, further, to raise and appropriate the amount of \$89,400 for the current fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the Collective Bargaining Agreement over those that would be paid at current staffing levels in accordance with the most recent collective bargaining agreement. The 2017 and 2018 costs associated with the agreement will be included in the respective operating budgets.

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FY2016	FY2017	FY2018	Total
\$89,400	\$76,200	\$4,500	\$170,100

Recommended by Selectmen

Estimated Gross Tax Impact - \$0.06/\$1,000

Tom G. reviewed the details of the agreement.

Maryanne Shanley (Buttonwood Dr.) asked what the dollar amounts represent.

Tom G. stated that the FY2016 amount of \$89.4K represents the increase over the current agreement.

Drew Mason (Baxter Rd.) asked if the health insurance will be subject to the Cadillac tax under the Affordable Care Act.

Tom G. stated that the Cadillac tax does not go into effect until 2018 and that there is language in the agreement that allows the town to reopen negotiations if the town becomes liable for the tax.

Mr. Mason asked that the agreement be presented as a warrant article in each year since there are annual cost increases.

Tom G. stated that the future year costs are sanbornized.

ARTICLE 14 – 2016 Operating Budget

To see if the Town will vote to raise and appropriate the sum of \$9,769,248 which represents the operating budget of the Town for 2016, not including appropriations by special warrant articles and other appropriations voted separately; a portion of said funds, not to exceed \$206,000, to come from funds available in the unassigned fund balance as of December 31, 2015.

Recommended by Selectmen

Estimated Gross Tax Impact - \$7.95/\$1,000 (reduced by \$206K from Unassigned Fund Balance)

Tom G. stated that this budget is \$205.8K above the BudCom guidance, primarily due to the 20% increase in health insurance.

Increases to the proposed budget include:

1. Employee benefits increased 25%
2. Police administrative salaries - replaced Sergeant position with part-time Lieutenant/Patrol Officer
3. DPW non-union salaries – added a foreman
4. Fire Department – part time emergency responders
5. Police equipment – multiyear purchase program for body cameras and tasers

Decreases to the proposed budget include:

1. Expired capital lease agreements – Fire Department
2. Long Term Debt refinancing
3. DPW union salaries
4. Police union salaries
5. Workers compensation

Drew Mason (Baxter Rd.) asked if the same increases health care are anticipated going forward.

Chris H. explained that the rates were driven by the town's insurance claims.

Peter B. clarified that due to the Affordable Care Act the town is its own insurance pool so the claims costs are spread over a much smaller base. He said it was impossible to predict future rates.

Drew Mason asked for FY16 planned road projects.

Tom B. replied Nartoff Rd. and Louise Dr.

ARTICLE 15 - To Transact Any Other Business That May Legally Come Before Said Meeting.

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Town Public Hearing Recess

Mike H. moved to recess the public hearing until 7:00 PM on Monday, February 8, 2016 in the Town of Hollis Community Room. David S. seconded. Motion passed unanimously. The vote was 8-0-0. The town public hearing went into recess at 8:20 PM

Budget Committee Positions

Tom G. opened BudCom deliberations at 8:21 PM.

Article 5:

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

Motion was seconded by Susan B.

Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S. – Yea, Frank W. – Yea

Motion carried 8-0-0

Article 6:

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

Motion was seconded by Susan B.

Roll call vote:

Susan B. – Yea, Frank C. – Abstain, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S. – Yea, Frank W. – Yea

Motion carried 7-0-1

Article 7:

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

Motion was seconded by Susan B.

Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S. – Yea, Frank W. – Yea

Motion carried 8-0-0

Tom J. asked when the town expected to acquire the loader.

Tom B. replied 2017 because of the time required to have it built.

Article 8:

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

Motion was seconded by Susan B.

Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S. – Yea, Frank W. – Yea

Motion carried 8-0-0

Article 9:

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

Motion was seconded by Susan B.

Chris H. made a motion to amend Article 9 to raise and appropriate \$70,000 for the Compensated Absences Payable Expendable Trust Fund.

Tom G. stated that BudCom can only amend the warrant article pertaining to the town's operating budget and that the selectmen would need to amend the language in all other articles.

Peter B. said the selectmen would take it under advisement.

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Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S.
– Yea, Frank W. – Yea

Motion carried 8-0-0

Article 10:

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

Motion was seconded by Susan B.

Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S.
– Yea, Frank W. – Yea

Motion carried 8-0-0

Article 11:

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

Motion was seconded by Susan B.

Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S.
– Yea, Frank W. – Yea

Motion carried 8-0-0

Article 12:

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

Motion was seconded by Susan B.

Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S.
– Yea, Frank W. – Yea

Motion carried 8-0-0

Article 13:

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

Motion was seconded by Susan B.

David S. asked if BudCom could change sanbornization.

Mike H. replied no, but BudCom could withhold recommendation.

Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S.
– Yea, Frank W. – Yea

Motion carried 8-0-0

Article 14:

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

Motion was seconded by Susan B.

Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Tom J. – Yea, David S.
– Yea, Frank W. – Yea

Motion carried 8-0-0

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Budget Committee Meeting Recess

Mike H. moved to recess the BudCom meeting until 7:00 PM on Monday, February 8, 2016 in the Town of Hollis Community Room. David S. seconded. Motion passed unanimously. The vote was 8-0-0. The meeting went into recess at 8:32 PM.

Respectfully submitted,

Christina Winsor, Tax Collector