



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

Minutes of February 8, 2017

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Tom Gehan at 6:32 PM.

Members present: Susan Benz, Frank Cadwell – Selectman Rep, Tom Gehan, Mike Harris, Chris Hyde, Rob Mann – School Board Rep, Frank Whitemore

Others present: Peter Band – Selectman, Tom Bayrd – DPW Director, Kim Galipeau – Town Administrator, Deb Padykula – Finance Officer, David Petry – Selectman (phoned in at 7:10), Jay Sartell – Police Chief, Rick Towne – Fire Chief

Pledge of Allegiance was recited.

Upcoming Meetings:

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

February 8:	Town Budget Public Hearing
February 8:	COOP Budget Public Hearing
February 14:	Hollis School District Budget Public Hearing
March 7:	Hollis School District Annual Meeting
March 13:	COOP Annual District Meeting
March 14:	Town Elections
March 18:	Town 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 0.5% increase in the tax base was assumed when developing the guidance for FY17. He stated that the guidance budget increased by \$239K (3.5%). Tom G. stated that increases in health insurance and retirement payments added 2.0% to guidance. The proposed operating budget of \$10,054,008 is \$55K under guidance. Tom G. stated that the unassigned fund balance is \$3.5M, which has helped the town attain the highest bond rating possible for a town of Hollis' size.

Warrant Overview:

Tom G. briefly reviewed the anticipated town warrant articles. A preliminary estimate of the town portion of the tax rate results in a \$0.03 decrease (-0.5%). This reflects an anticipated revenue increase of \$26K and assumes all warrants as currently written will pass. Tom G. stated that if all of the budgets and warrant articles pass as proposed, the projected total tax rate could increase to \$23.58, up from \$23.43 in 2016 (a 0.6% 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 – 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

No public comment.

ARTICLE 3 – Compensated Absences Payable Expendable Trust Fund

To see if the Town will vote to raise and appropriate \$75,000 to be placed in the Compensated Absences Payable Expendable Trust Fund as previously established at the 2002 Annual Town Meeting, said funds to come from the unassigned fund balance as of December 31, 2016, if available. No amount to be raised from taxation.

Recommended by Selectmen

Estimated Tax Impact - \$0, Unreduced by Revenue

Tom G. explained that expending funds that could potentially be used to reduce the tax rate equates to forgoing a \$0.06 reduction in the town tax rate. Tom G. stated 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. Four employees left during 2016, drawing \$22K from the fund. At the end of FY16 the town's liability was \$270K and the fund's balance was \$58K.

No public comment.

ARTICLE 4 – 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, said funds to come from the unassigned fund balance as of December 31, 2016, if available. No amount to be raised from taxation.

Recommended by Selectmen

Estimated Tax Impact - \$0

Tom G. stated that expending funds for this article equates to forgoing a \$0.01 reduction in the town tax rate. Tom G. explained that NH state law requires a town wide property reevaluation every 5 years and this article sets aside funds for this expense over several years to lessen the tax rate impact.

No public comment.

ARTICLE 5 – Municipal Buildings and Facilities Maintenance Expendable Trust Fund

To see if the Town will vote to raise and appropriate \$100,000 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, said funds to come from the unassigned fund balance as of December 31, 2016, if available. No amount to be raised from taxation.

Recommended by Selectmen

Estimated Tax Impact - \$0

Tom G. stated that expending funds for this article equates to forgoing a \$0.08 reduction in the town tax rate. Tom G. reviewed the fund balance and proposed FY17 projects.

No public comment.

ARTICLE 6 – 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. Said funds to come from the unassigned fund balance as of December 31, 2016, if available. No amount to be raised from taxation.

Recommended by Selectmen

Estimated Tax Impact - \$0

Tom G. stated that expending funds for this article equates to forgoing a \$0.06 reduction in the town tax rate.

No public comment.

ARTICLE 7 – Collective Bargaining Agreement, Local 1801 (Town Hall / DPW)

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 1801, 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 \$37,500 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, 2018 and 2019 costs associated with the agreement will be included in the respective operating budgets.

FY2017	FY2018	FY2019	Total
\$37,500	\$17,500	\$19,000	\$74,000

Recommended by Selectmen

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

Tom G. reviewed the details of the agreement, which include a 3% merit step increase or longevity payment, an increase in employee health premium contributions, a reduction in the town's HSA contribution, and the preservation of established health insurance caps (\$15K single, \$25K 2-person, \$32K family).

No public comment.

ARTICLE 8 – Stefanowicz Properties 25-Year Lease Agreement

To see if the Town will vote to authorize the Board of Selectmen, assuming the Town acquires title to the Stefanowicz Properties, pursuant to RSA 41:11-a to enter into a lease agreement of not more than 25 years with regard to the property, (or any portions thereof), known as Stefanowicz Properties, which property consists of the tax map and lot numbers 32-01 and 32-02, on such terms and conditions as the Selectmen, in their judgment, deem in the best interests of the Town.

Recommended by Selectmen

Estimated Tax Impact - \$0

No public comment.

ARTICLE 9 – 2017 Operating Budget

To see if the Town will vote to raise and appropriate the sum of \$10,054,008 which represents the operating budget of the Town for 2017, not including appropriations by special warrant articles and other appropriations voted separately; a portion of said funds, \$100,000, to come from funds if available in the unassigned fund balance as of December 31, 2016 or the full amount shall be raised by taxation.

Recommended by Selectmen

Estimated Gross Tax Impact - \$8.31/\$1,000 (reduced by \$100K from Unassigned Fund Balance)

Tom G. stated that this budget is \$55K below BudCom guidance. There are no staff changes for 2017.

Increases to the proposed budget include:

1. Employee Salaries
2. NH Retirement System
3. Workers Compensation
4. Health Insurance
5. DPW Capital Leases

Decreases to the proposed budget include:

1. Annual Road Resurfacing
2. Long Term Debt
3. Election Expenses
4. Finance Software Capital Lease

No public comment.

ARTICLE 10 – Petition Article for Veterans Tax Credit

Shall the Town adopt the “all veterans’ property tax credit” under RSA 72:28-b. If adopted, the credit will be available to any resident, or the spouse or surviving spouse of any resident, who (1) served not less than 90 days on active service in the armed forces of the United States and was honorably discharged or was an officer honorably separated from service, and (2) is not eligible for and not receiving the credit for veterans who served in a qualifying war or armed conflict or for veterans with a service-connected disability. If adopted, the credit will be in the amount of \$500.00, which is the same amount as the credit for a veteran who served in a qualifying war or armed conflict. If the credit is adopted, any person desiring to claim the credit will be required to file an application with the selectmen or the assessors by April 15 of the tax year.

Recommended by Selectmen

Estimated Gross Tax Impact – Unknown

No public comment.

ARTICLE 11 - To Transact Any Other Business That May Legally Come Before Said Meeting.

Town Public Hearing Recess

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Budget Committee Positions

Tom G. opened BudCom deliberations at 7:22 PM.

Article 2:

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

Motion was seconded by Chris H.

Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Rob M. – Yea, Frank W. – Yea

Motion carried 7-0-0

Article 3:

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

Motion was seconded by Chris H.

Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Rob M. – Yea, Frank W. – Yea

Motion carried 7-0-0

Article 4:

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

Motion was seconded by Chris H.

Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Rob M. – Yea, Frank W. – Yea

Motion carried 7-0-0

Article 5:

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

Motion was seconded by Chris H.

Chris H. asked Chief Town for detail regarding \$46K appropriated for carpet and ceiling repairs. Chief Towne replied that the carpet in the training and bay areas is worn out and needs to be replaced and the ceiling in the bay area has sheetrock issues due to age.

Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Rob M. – Yea, Frank W. – Yea

Motion carried 7-0-0

Article 6:

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

Motion was seconded by Chris H.

Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Rob M. – Yea, Frank W. – Yea

Motion carried 7-0-0

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Article 7:

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

Motion was seconded by Chris H.

Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Rob M. – Yea, Frank W. – Yea

Motion carried 7-0-0

Article 8:

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

Motion was seconded by Chris H.

Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Rob M. – Abstain, Frank W. – Yea

Motion carried 6-0-1

Article 9:

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

Motion was seconded by Chris H.

Mike H. expressed concern that the unassigned fund balance should be used for projects and not for the purpose of offsetting an increase in the tax rate.

Frank C. stated that the \$100K is being allocated for the increase in health insurance and retirement.

There was a discussion regarding the best way to fund premium increases.

Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Yea, Mike H. – Yea, Rob M. – Yea, Frank W. – Yea

Motion carried 7-0-0

Article 10:

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

Motion was seconded by Chris H.

Roll call vote:

Susan B. – Yea, Frank C. – Yea, Tom G. – Yea, Chris H. – Abstain, Mike H. – Yea, Rob M. – Yea, Frank W. – Opposed

Motion carried 5-1-1

Motion to adjourn was made by Mike H. Chris H. seconded. Meeting was adjourned at 7:41 PM.

Respectfully submitted,

Christina Winsor, Tax Collector