



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

**Minutes of October 11, 2016**

Meeting was held in the Community Room, Hollis Town Hall. Tom Gehan called the Budget Committee to order at 7:01 PM.

**Members Present:** Frank Cadwell – Selectman, Tom Gehan, Chris Hyde, Tom Jambard, Robb Mann – School Board Rep, Frank Whittemore

**Others Present:** Deb Padykula – Finance Officer, Amy Rowe – Student Services, Kelly Seely – SAU Business Administrator

Pledge of Allegiance was recited.

**Approval of Minutes:**

Chris H. moved to accept the minutes of 9/13/16 as written. Tom J. seconded. Motion passed. Vote was 5-0-1. Minutes were accepted.

Public Input: No members of the public were present.

**School Report:**

Tom G. asked for projected student participation in special service programs. Amy R. replied that Hollis has 70 students but this does not include preschool. No additional transportation needs have been identified for students receiving special services.

Chris H. asked about overall transportation cost projections. Amy R. replied that with the new bus contract and unfinalized student numbers it was difficult to provide a firm number.

There was a discussion about offering presentations to familiarize new board members with programs offered by student services.

Chris H. asked if data was available regarding response to intervention. Amy R. said the administration was beginning analyze the effectiveness of current programs in an effort to determine future intervention services.

Tom G. commented that the latest FTE report shows a .9 reduction in special education and all other areas flat. Kelly S. replied that upcoming school budget meetings would most likely impact FTE figures.

Chris H. asked for last year's ending available fund balance. Kelly S. replied approximately \$400K, with \$250K refunded to taxpayers.

Rob M. discussed upcoming meetings regarding the energy study committee. He also stated the school board plans to increase the rent for 4 Lund Lane.

**Town Report:**

Deb P. stated the budget is on track with 70% spent through September 30, with the exception of the legal budget which is 90% spent. This expense item is being driven by the land acquisitions approved at the 2016 town meeting.

Tom G. asked if the legal expenses associated with the land acquisitions would be recouped from the bond. Deb P. replied that she is waiting to see if the excess expense can be offset with surpluses from other parts of the budget.

Deb P. stated that the police overtime account is overspent due to an open position and an employee out on workers compensation, but there is enough money in the union salaries line to cover the overage.

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Deb P. stated that she anticipates surpluses in health insurance and NHRS due to employee turnover and open police and fire fighter positions.

Deb P. stated that miscellaneous revenue was \$71K over anticipated due to the DPW leases and timber cuts.

Deb. P. stated the preliminary figure for FY17 health insurance rates increased 14%.

Deb P. stated that the Town Hall/DPW collective bargaining agreement would be presented to BudCom the first week of November.

Tom G. asked for an update regarding the South Hardy athletic field. Frank C. replied that contracts would be encumbered until FY17 due to unforeseen issues with the permitting process caused by the field's impact on wetlands.

Chris H. asked for the cost of paving the entry to the transfer station. Deb P. replied \$42K. Chris H. asked if this improvement was included in the CPI plan.

Frank C. explained that while the contractor could provide additional paving services, the DPW does not have the manpower or funds to work on additional roads at this time. Consequentially, it was decided to repair the entry to the transfer station using the surplus.

Tom J. asked if any other aspects of road repair were outsourced. Frank C. replied that drainage and roadside work is performed in-house which limits the ability to pave.

Deb P. added that it is difficult to predict the surplus as the figure is not available until the end of August once all paving for the year has been completed. Chris H. suggested that future contracts be worded to allow surpluses to be carried forward into the next year.

Tom G. asked about the \$100K left in the road resurfacing line item. Deb P. explained that after the upcoming crack sealing repairs (\$35K) and transfer station paving there would be about \$20K unspent.

Tom J. asked about a \$200K property encumbrance. Deb P. explained that this is for the Howe property conservation easement approved at the 2015 town meeting.

### **Preliminary Budget Guidance:**

Tom G. reviewed the assumptions made in the process of developing a budget guidance number.

Tom G. stated that the tax base is expected to increase by 0.6%.

Chris H. stated that inflation is at 1.5% and that Hollis population has grown 0.4%.

### **FY18 School Budget:**

Tom G. stated that he had not had a chance to review the budget with Kelly S. prior to the meeting so guidance would be a percentage. He also clarified that guidance assumes enrollment is flat.

Tom J. asked how much was unspent in last year's budget. Kelly S. replied \$400K.

Chris H. asked how funds carried over were spent. Rob M. replied that a lot of facilities maintenance was completed during the summer. After reviewing past meeting minutes he determined that \$86.5K was approved for maintenance.

Chris H. asked that going forward the school board provide a report of excess funds at the end of the year to be used as a future budgeting tool.

Frank C. asked if health insurance rates are available. Kelly S. replied that there is a projected 15.9% increase. Health benefits comprise about 10% of the budget, which would increase the total budget by 1.5%.

Frank C. suggested guidance be set at 2.4% due to the additional 1.5% NHRS increase taken net of the 0.6% increase in the tax base.

Chris H. and Tom G. stated that 1.5% was consistent with CPI, and that the school board could request relief from guidance as necessary.

Chris H. moved to approve a preliminary guidance multiplier of 1.5% for the FY18 school district budget. Tom J. seconded.

Frank C. asked when the NHRS increase would go into effect. Kelly S. replied that an 11.7% increase would go into effect in July 2017.

Frank C. expressed concern that the quality of provided services would suffer with guidance set significantly under the 3% increase in health insurance and NHRS.

Tom G. replied that the 1.5% was not final and would most likely be adjusted up as needs are identified.

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All voted in favor. Motion was approved 6-0-0.

### **FY17 Town Budget:**

There was a discussion about keeping \$206K taken from the unassigned fund balance to cover the FY16 health insurance increase in the baseline amount and it was agreed that it would be included.

Deb P. stated that health insurance and NHRS would increase \$90K.

Chris H. moved to approve a preliminary guidance multiplier of 1.5% for the FY17 town budget. Tom J. seconded.

All voted in favor. Motion was approved 6-0-0.

### **Upcoming Meetings:**

Tom G. requested dollar specific requests from Deb P. and Kelly S. for relief from guidance for NHRS, health insurance, and other items. He asked Kelly S. for the enrollment forecast, class section lineup and revised FTE report.

Chris H. requested a year over year comparison of each budget line item for both the town and school district.

Motion to adjourn was made by Chris H. Tom J. seconded. Meeting was adjourned at 8:38 PM.

Respectfully submitted,

Christina Winsor, Tax Collector