



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

Minutes of November 8, 2016

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

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

Others Present: Andy Corey – SAU41 Superintendent, Candy Fowler – HUES Principal, Paula Izbicki – HPS Principal, Deb Padykula – Finance Officer, Kelly Seely – SAU Business Administrator

Pledge of Allegiance was recited.

Approval of minutes:

Chris H. moved to accept the minutes of 10/11/16 as written. Susan B. seconded. Motion passed. Vote was 4-0-2. Susan B. and Mike H. abstained. Minutes were accepted.

Budget Cycle Calendar:

Tom G. stated that there have been no changes and dates are undetermined for the Hollis School District and Coop annual meetings. BudCom will meet December 12, 2016 to review the town budget and December 13, 2016 to review the HSD budget.

Public Input: No members of the public were present.

Town Report:

Deb P. stated the proposed FY17 budget shows increases in health insurance, NHRS and workers' compensation.

Frank C. stated that DPW would encumber \$25K that is remaining in the FY16 budget to pay for crack sealing in 2017, thus reducing the 2017 budget.

Frank C. stated that the amount over guidance is \$101,425 and proposed using the unreserved fund balance to cover the overage. This would leave the unreserved fund balance at \$3.2M.

Frank C. stated that the Selectmen are also proposing to use \$75K from the unreserved fund balance to increase the funds for compensated absences. This would be presented as a warrant article.

Deb P. stated that health insurance premiums increased 14%.

Tom G. asked if there was a contract for Hardy South field. Frank C. replied that it is out for bid but the permit process is causing delays.

Mike H. asked if there are any union contracts expiring. Frank C. replied that there is a tentative agreement for DPW and Town Hall employees.

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School Report:

Rob M. gave BudCom an executive summary of HSD undertakings. He stated that there is a tentative teachers' union contract agreement. The annual rent at Lund Lane was increased by about \$25K per year and will be phased in over 2 years.

Tom G. asked if the capital improvement plan was available and if it included anything related to the energy study. Kelly S. replied that she had provided BudCom with the CIP and that the results of the energy study are still unknown. Rob M. added that HSB expected to receive proposals in December.

Final 2017 Budget Guidance – Town:

Tom G. stated that preliminary guidance assumed a 1.5% increase for a budget of \$9,998,333. The town requested relief from guidance for the increase in health insurance rates (\$67.3K) and NHRS employer rates (\$43.8K).

Deb P. explained that the increase in workers' compensation was due to a 6% rate increase and also the loss of a \$28K surplus credit that was received in 2016.

Mike H. asked if there are health insurance caps. Deb P. replied yes and that they would probably be hit in FY18.

Deb P. stated that most employees are enrolled in the Lumenos high deductible plan.

Frank C. stated that guidance of 2.4% was requested during October. This was based on CPI of 1.5% plus insurance/NHRS increases of 1.5% less a 0.6% tax base increase. Frank C. stated that absorbing guidance with uncontrollable rate increases hinders the town's ability to improve departmental operations.

Chris H. asked how the funds were acquired to pave the transfer station. Frank C. replied that it was a rebate received due to the decrease in the price of oil. Chris H. expressed concern that the project was not on the CIP list.

Deb P. stated that the actual health increase is an estimate until open enrollment closes.

Chris H. asked about changes in headcount. Deb P. stated the town added a police officer in 2014 for a total of 56 full time employees.

Rob M. asked Frank C. to elaborate on projects the town was considering to improve processes. Frank C. replied that it is primarily technology that advances the way departments can accomplish their jobs.

Chris H. made a motion to set guidance at a 1.5% increase over the FY16 budget plus relief from guidance for \$111K to cover the insurance and NHRS increases. This sets the FY17 budget at \$10,109,333. Mike H. seconded. Motion was approved. Vote was 7-0-0.

Final 2017-2018 Budget Guidance – School:

Tom G. reviewed that preliminary guidance was set at 1.5%. The school requested relief from guidance for the increase in health insurance rates (\$36K) and NHRS employer rates (\$78K).

Mike H. made a motion to set guidance at a 1.5% increase over the FY17 budget plus relief from guidance for \$114K to cover the insurance and NHRS increases. This sets the FY18 budget at \$10,569,094. Susan B. seconded. Motion was approved. Vote was 7-0-0.

There was a discussion about anticipated student population. Tom G. stated that that current enrollment is 657 students, NASDAQ is forecasting 649, and HSD administration is forecasting 604.

There was a discussion about the Capital Improvement Plan.

New Business:

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Mike H. reviewed the SAU41 budget, stating that it reflects a 2.32% increase over the prior year. Items using the reserved fund balance include special education professional training and actuarial services.

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

Respectfully submitted,

Christina Winsor, Tax Collector