



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

Minutes of January 13, 2015

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Tom Gehan at 7:04 PM.

Members present: Tom Gehan, Susan Benz, Chris Hyde, Frank Whittemore, Mike Harris, Frank Cadwell
Others present: Mark LeDoux – Selectman, David Petry – Selectman, Peter Band – Selectman, Vahrij Manoukian – Selectman (arrived 7:21), Deb Padykula – Finance Officer, Troy Brown – Town Administrator, Jay Sartell – Police Chief, Rick Towne – Fire Chief, Tom Bayrd – DPW Director, Dawn Desaulniers – IT Director, Don Macmillan – Library Trustee

Pledge of Allegiance was recited.

Library Parking Lot

Don M. stated that the Library was in preliminary discussions with the church to repave the shared parking lot. The church would contribute \$10K. Bids from Hudson Paving range from \$45K to \$63K. Tom G. asked about ownership. Don M. stated that it is about church/town 70/30 with more usage by the town. Mike H. asked about drainage issues. Don M. stated that the drainage issues in that area do not pertain to the parking lot. Mike H. asked Tom B. about the project and the proposals from Hudson Paving. Tom B. stated that prior to the meeting he was unaware of the proposals. There was a discussion of repaving methods and whether the project could be incorporated into the town's road resurfacing efforts. Mark L. suggested looking back to the last time the lot was repaved to determine cost allocation between the town and church. Tom B. was asked to work with the town's current paving vendor to get another quote by the next meeting.

Public Input:

No members of the public were present.

Approval of minutes:

Mike H. moved to accept the minutes of 12/8/14. Chris H. seconded. Motion passed unanimously. Vote was 6-0-0. Minutes were accepted.

Mike H. moved to accept the minutes of 12/11/14. Susan B. seconded. Chris H. and Frank C. abstained. Motion passed. Vote was 4-0-2. Minutes were accepted.

2nd review of FY15 budget

Deb P. reviewed the proposed Operating Budget of \$9,485,961, which is up \$292K from 2014. It reflects a decrease of \$23K since the first review due to finalization of the bond refinance.

Mark L. reviewed the structure of the bond refinance and stated that it will save the town approximately \$400K in interest over the life of the bonds. Century Bank facilitated the refinance.

Mike H. asked about payroll services costs. Mark L. stated that payroll was now being processed in-house and that the cost of the accounting software was being amortized.

Mike H. asked about health insurance costs. Deb P. stated that several new employees opted not to participate in the health plan, rates decreased slightly, police HSA contributions went to from \$5K/employee the first year to \$2.5K/employee the second year, and the town received a holiday credit.

Mike H. asked about fuel costs. Mark L. stated that the town is locked in at a slightly higher than market rate through June 2015. He also stated that there was a small cushion in the account to allow for market

Budget Committee Minutes January 13, 2015

fluctuations. David P. suggested checking the contract to see if the price lock should fluctuate with the market price.

Chris H. asked about the increase in software costs. Deb P. stated that Accufund was a lease purchase with six months paid in 2014, a full year in 2015 and 2016, and 6 months in 2017.

Mike H. and Chris H. asked if the Selectmen would put the Selectmen's salary increase into a warrant article in the interest of full disclosure. Mark L. replied he would discuss the committee's suggestion with the other members of the board.

Mike H. asked how the \$57K decrease in fire equipment financing was spent. Deb P. stated it was invested in new DPW road equipment.

Chris H. asked about the unreserved fund balance. Mark L. replied that it was approximately \$2.3M and was instrumental in helping to secure the bond refinance. Mark L. cautioned against reducing the balance.

Troy B. explained that litigation is pending from public utilities to abate up to \$400K in property taxes paid during past years. He also stated that a \$100K surplus is projected for FY15 based on efforts to better anticipate revenues and reduce costs.

Tom G. asked if the amounts of the warrant articles could be itemized in the budget detail. Deb P. said she would update and redistribute the budget.

Warrant Articles

Tom G. asked whether there were any anticipated changes to the Capital Improvement Plan or Warrant Articles. Mark L. stated that there was \$50K allotted in the operating budget for new police cruisers. He also reviewed the need to spend \$148K from the Municipal Building and Facilities Expendable Fund (MBFEF). These funds will be used for a new police station heating system and potentially the repaving of the library parking lot. Deb P. stated that the current fund balance is \$90K. It was agreed to appropriate an additional \$60K to the fund. Chris H. asked why the \$175K for the Lawrence Barn parking lot was listed separately and not incorporated into the MBFEF. Mark L. said this is in the early stages and a price was not yet available.

Mike H. asked about the change in the town's valuation. Deb P. confirmed it went up 1% in 2014. Mark L. stated the next reevaluation is due in 3 years. There was discussion about unfunded liabilities and establishing a new fund for costs pertaining to the pipeline.

Mark L. reviewed the agenda of the upcoming 2015 town meeting. There was concern that the AFSCME agreement would not be finalized in time for the budget committee's public hearing.

Mark L. recommended moving forward with forming a committee to study the dissolution of the COOP so that factual numbers can be used when deciding whether to remain in the COOP or dissolve it.

Chris H. stated that perhaps this study would make more sense in 4 years when it is closer to the next examination of the apportionment formula. He also suggested working with state representatives to modify rules governing the COOP dissolution vote so that it could be voted on by the town that wishes to exit the COOP rather than the COOP as a whole. Mike H. raised the concern that creating this committee would be the beginning of the dissolution process under several RSAs. Tom G. confirmed that passing the warrant article would start the 180 day feasibility study and the committee would be required to submit a dissolution plan to the state. There was more discussion of the pros and cons of dissolution and public opinion.

Upcoming meetings:

Tuesday, February 3, 2015: Town Budget Public Hearing

Wednesday, February 4, 2015: School Budget Public Hearing

Saturday, March 14, 2015: Town Meeting

Motion to adjourn was made by Mike H. Chris H. seconded. Meeting was adjourned at 8:42 PM.

Respectfully submitted,

Christina Winsor, Tax Collector