



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

**Minutes of February 5, 2013**

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Tom Gehan at 6:35 PM.

Members present: Tom Gehan, Mike Harris, Chris Hyde, Peter Band, Tom Jambard, Frank Whittemore, Susan Benz, Frank Giudici

Also present: Deb Padykula - Finance Officer, Troy Brown – Town Administrator, David Petry – Chairman, Board of Selectmen, Frank Cadwell – Selectman, Vahrij Manoukian – Selectman, Dawn Desaulniers – I/T Director, Jeff Babel – DPW Director, Rick Towne – Fire Chief, Jay Sartell – Police Chief, Jim Belanger – Town Moderator

Pledge of Allegiance was said.

Review of Agenda

BudCom Presentation:

Tom G. gave a discussion of the budget process and how budget guidance is arrived at. He reviewed the number and distribution of town employees within the various departments. He stressed the large number of buildings and roads that the town is responsible for maintaining. The population demographics for the town were reviewed. The data showed that the average tax bill is slightly lower now than it was fifteen years ago on an inflation-adjusted basis. An update was given on the projected debt service over the life of the existing bonds, as well as how the unassigned fund balance has varied over the last eight years.

Tom G. then listed the articles on the Town Warrant. He discussed how spending increases are factored in when forecasting changes to the tax rate. He also stated that anticipated revenues are down \$238K from 2012 due to receipt of the one-time NHDOT Bridge Aid that year. With all the known effects factored in and all the warrant articles included as written, the tax rate could be expected to increase from 21.23 in 2012 to 21.43 in 2013 (approximately 1%).

Public Hearing:

Tom G. reviewed the rules regarding the conduct of the public hearing.

Article 10 – Lawrence Barn Parking Lot (\$30K)

Honi Glover (52 Nevins Road) stated that the parking lot as it exists is very rough and difficult to maneuver in, particularly with a cane, walker, or a wheelchair. The puddles and mud are a problem in the spring. And sand and mud get tracked inside, damaging the floor. She argued in support of painting angled lines, which are easier to pull into and back out of. Chris H. asked which part of the parking lot was to be paved. It was determined that parcel C on an earlier schematic was the area in question. Comments from the BudCom concerned the wording of the article not making reference to a specific area of the parking lot. They felt that the article should be corrected to include reference to parcel C.

Jim B. asked to meet with the petitioner after the meeting. He also asked the BudCom to make the aerial schematic available as a document at town meeting.

## Budget Committee Minutes February 5, 2013

Bob Labelednick (11 Truell Road) spoke in favor of paving the parking lot parcel C.

### Article 1 – Officials Reports

#### Article 2 - Elderly Exemption Modification

Jim B. advised taking care with the language of the article such that it doesn't inadvertently exclude seniors with property held in trust.

#### Article 3 – Town Hall Renovation (\$350K)

Mike H. pointed out that this article designates the funds to be non-lapsing, and that unspent funds would be returned to the unassigned fund balance.

Troy B. gave a discussion of the proposed scope of work. Mike H. asked about the range of uncertainty of the estimate for lead abatement. Frank C. stated that the contractor had allowed \$100K as a worst-case scenario. Susan B. asked how recent the estimates were. Troy B. said that they were all different. The window estimate is about two years old. Frank G. asked whether the cedar siding is primed on both sides. The answer was affirmative. Chris H. asked whether the estimate includes a Tyvek layer. Again affirmative. Tom J. asked whether the new shingles would have the same shape and look of the existing ones. Troy B. stated that the new shingles would have a plain, squared-off shape. Chris H. suggested getting a more accurate, updated estimate, based on replicating the exact look of the building. Tom J. asked what the cost was to renovate the windows in the Finance Office. Troy B. stated that it was approximately \$1K per window. Tom J. stated that the upstairs windows are likely to be much more costly due to the intricate nature of the stained glass. He asked whether synthetic materials could be used for the window trim. It was concluded that synthetic material would not be allowed due to restrictions in the Historic District. Susan B. asked why this article had come up this year. Her understanding from their last meeting was that this project would be combined with others in town, such as the DPW garage, and put forward next year as a bond proposal. Frank C. stated that the Selectmen had not planned on doing anything with the DPW in the near future. Mike H. asked whether the Selectmen intend to pursue additional work on the interior of Town Hall. David P. said that there is no consensus of the board on that topic.

Drew Mason (61 Baxter Road) asked how long the project is anticipated to take. Troy B. estimated that work could begin in early July and be completed by the end of September. Andrew M. stated that it may be difficult to convince voters with cost estimates that are 15 months old. He would like to see more recent numbers, to be sure that the \$350K is still valid.

Ron Peik (26 Lawrence Lane) offered to help scope out the project and review the cost estimates. His company does restorations and lead paint remediation. While he had not had time to analyze the estimates, at first glance the numbers did not seem way out of line. Peter B. asked what had been his experience with the steps necessary to remove lead from the area around the building. Ron P. stated that his thinking is that lead is not going to be that much of an issue. There may be lead around the trim, but the siding was originally stained, so there should not be large quantities of lead over a wide area. It could mean replacing the top few inches of soil. The OSHA and EPA guidelines vary depending upon the use of the building.

Bob Labelednick asked whether the estimates had taken into consideration the possible use of synthetic materials for the siding. Frank C. stated that the contractor had actually recommended the use of cedar siding over synthetic, saying that it's useful life is as good or better.

### Article 4 – Cemetery Expendable Trust Fund

Removed from Warrant.

### Article 5 – Compensated Absences Payable Expendable Trust Fund (\$20K)

Tom G. discussed the nature of the fund and it's current available balance. The purpose of this article is to get the fund balance back to a reasonable level.

## Budget Committee Minutes February 5, 2013

Drew Mason commented that \$20K is not enough. The funding for 2013 should at least cover what was withdrawn in 2012. His suggestion was \$35K. Tom J. asked whether there was anyone intending to leave in 2013. Troy B. stated that he was aware of one person, who's accrued liability was \$12K.

Chris H. suggested that the Selectmen consider modifying the article to provide additional funding from the unreserved fund balance at the end of the year.

Jim B. stated that he proposed a bill this year to allow towns to have a "contingency" fund, which would be the same type of thing that school districts and village districts have. Comments from the house floor were that towns did not need a contingency fund because they have an unreserved fund balance. These fund balances can be used to cover unexpected liabilities, such as an unplanned compensated absence buyout. Chris H. stated that there is a difference between "unreserved" and "unassigned" fund balance.

Troy B. commented that the Selectmen do not have the authority to expend unreserved funds without Town Meeting approval. The DRA can also grant approval. There was some confusion as to how unexpended funds can or should be disposed of, so discussion was discontinued until more information was available.

Chris H. suggested that an amendment could be made at Town Meeting if necessary. Frank C. stated that, following this article, the fund will be over \$60K and anticipated needs are \$12K, so they will be covered for 2013.

### Article 6 – Municipal Buildings and Facilities Maintenance Expendable Trust Fund (\$90K)

Tom G. reviewed the year-end balance of this trust fund, and listed the projects and expenditures that are anticipated for the year. The net effect will be that the year-end balance should remain effectively unchanged.

### Article 7 – Old Home Day Special Revenue Fund (\$50K)

Tom G. mentioned that this article has a zero tax rate impact.

### Article 8 – 2013 Operating Budget

Tom G. reviewed some of the larger increases affecting the budget for 2013, including road rebuilding, salary increases, assessing update, NH Retirement System, Souhegan Regional Landfill District, and Buildings and Grounds Maintenance. Major decreases are Town Hall staff salary and benefit reductions, DPW leased equipment costs, health insurance costs, election expenses, and Workman's Comp. insurance.

Bob Labednick asked whether the Police Department or DPW plan to hire any new employees. The answer was negative. He then asked about equipment purchases. The response was that the two warrant articles for DPW trucks have been removed, and no other purchases are anticipated.

Drew Mason asked whether the Selectmen had decided to put off some things they otherwise would have done in order to support the Town Hall renovation. He wondered what was the plan in the event that the Town Hall Renovation article should fail at Town Meeting. Chris H. stated that the BudCom, in that event, would likely support the DPW truck lease/purchases and the Fire Station parking lot paving. These were proposed articles that were rejected at an earlier budget review. It would be necessary to introduce these as amendments to the Operating Budget. Mike H. listed the three items and their amounts: \$17.5K first half-year payment of a 5 year truck lease, \$5.8K first half-year payment of another 5 year truck lease, and \$61.5K one-time payment for parking lot paving. Vahrij M. stated that he would not support this idea. Bob Labednick stated that it doesn't look good to switch things on the fly at Town Meeting. It's better to have the articles planned out, with contingencies, ahead of time.

### Article 9 – Farley Building Lot Line Adjustment

Chris H. expressed concern over whether the Town of Hollis is getting equal value in the land swap. David P. explained that there is value to the Town in not owning land which in part sits underneath a COOP District building. This will allow the Farley building lot to be its own entity. Tom J. asked for a sketch of the plan.

Drew Mason mentioned that the sketch should be a numbered document in the presentation.

## Budget Committee Minutes February 5, 2013

### BudCom Deliberation

Tom G. suggested that for the purposes of recording, Mike H. is making the motions on each article, and Chris H. is seconding them.

### Article 2: Elderly Exemption Modification

Chris H. asked Deb P. to calculate the impact to the town of the Elderly Exemption.

All voted in favor of this article. None opposed. Motion passed unanimously.

### Article 3: Town Hall Renovation

Mike H. stated that he is not in favor of taking the money from the unassigned fund balance. Chris H. suggested making a motion before discussion. After some disagreement, Tom J. suggested having some discussion first, since they could not agree on a motion. There was some question as to whether using funds from the fund balance required DRA approval. It was decided that, in this instance, DRA approval is not necessary. Peter B. stated that he was initially not in favor of touching the fund balance. But his opinion is that it may be the only way to get the project done while minimizing the effect on the tax rate. Tom J. agreed with the article in principle, but felt that more information and updated costs are needed before the annual meeting. He would not be in favor of postponing until next year because the project has been put off too long already, next year there is a list of additional projects that need to be done, and doing this project this year will help prevent a spike in the tax rate in 2014. However, he would like to have more information available well before Town Meeting. Chris H. said that he agrees with Tom's statements. Frank G. wondered how much it would affect the fund balance. Tom G. stated that there should be little net effect due to the unspent amount from the 2012 budget coming in. Frank W. said he would support taking the full \$350K from the fund balance. Susan B. stated that she was most concerned that updated estimates could come in a lot higher due to the age and inconsistencies of the current estimates. The cost of replicating the current shingle design is presently unknown.

All voted in favor of this article. None opposed. Motion passed unanimously.

### Article 5: Compensated Absences Payable Expendable Trust Fund

All voted in favor of this article. None opposed. Motion passed unanimously.

### Article 6: Municipal Buildings and Facilities Maintenance Expendable Trust Fund

All voted in favor of this article. None opposed. Motion passed unanimously.

### Article 7: Old Home Days Special Revenue Fund

All voted in favor of this article. None opposed. Motion passed unanimously.

### Article 8: 2013 Operating Budget

All voted in favor of this article. None opposed. Motion passed unanimously.

### Article 10: Lawrence Barn Parking Lot

Tom J. stated that he is totally in favor of the article. Frank G. agreed. It was noted that the Selectmen have not taken a position on this article. Chris H. suggested that the BudCom not take a position either. He stated that it is a contentious issue and that both sides were not represented at this hearing. Peter B. stated that he agreed with Chris H. and is disappointed that the two sides could not come to an agreement on their own. He recommended that the public should make the decision at Town Meeting. David P. stated that as a result of two previous public hearings, the scope of work has been reduced from paving parcels A, B, and C to just paving parcel C. Mike H. stated that it is better for the BudCom to take a position on it from a budgetary point of view.

This article differed from all previous ones in that Mike H. moved that the BudCom recommend Article 10 and **Susan B.** seconded.

Frank W. asked what the income is from the use of the building. Deb P. estimated that the town takes in about \$8K per year.

Six voted in favor. Two were opposed (Chris H. and Peter B.) Motion passed 6-2-0.

**Budget Committee Minutes February 5, 2013**

Next meeting:

The BudCom agreed to cancel the February 12 meeting.

David P. offered to provide data on cost estimates, for slides on Articles 3 and 9, before Town Meeting.

Frank W. asked whether it would be advisable to meet briefly once the updated estimates have come in. The majority felt that it would not be necessary, since they have already publicly taken a position on the article.

Motion to adjourn was made by Mike H. Tom J. seconded. Meeting was adjourned at 9:05 PM.

Respectfully submitted,

Barbara Kowalski, Tax Collector