



BUDGET COMMITTEE

Town of Hollis

Seven Monument Square
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Minutes of February 12, 2008

Meeting was held in the Community Room, Hollis Town Hall and was called to order by Chairman, Mike Harris at 7:30 PM.

Members present: Mike Harris, Chairman; Chris Hyde, Vice Chairman; Melinda Willis, Selectmen Representative; Tom Jambard, Bob Labelednick, Don Ryder, Frank Whittemore

Staff present: Troy Brown, Town Administrator; Paul Calabria, Finance Director; Russell Ux, Police Chief; Jeff Babel, Director of Public Works, Rick Towne, Fire Chief and Deborah Adams, Secretary

Selectmen present: Mark LeDoux, David Petry and Vahrij Manoukian.

Mike announces with great sadness, the passing of BudCom member Mort Goulder. Mort had been a BudCom and Coop BudCom member for many years. He served the town well in this capacity. He explains that this now leaves the BudCom with an empty seat at the table. He suggests appointing a temporary member until the March elections. Tom feels this to be a good idea, especially since there is a candidate available that has past experience with the town.

Tom moves to appoint Frank Whittemore to fill the vacancy on the BudCom, with a term that will conclude at the March 18, 2008 Hollis School District Annual Meeting. Seconded by Don. Motion unanimously approved.

Selectman Melinda Willis administers the oath to Frank.

Public Hearing on Proposed 2008 Town Budget

Melinda presents slide presentation to the public. The first slide shows the BudCom’s guidance to the town.

2007 Approved Budget	\$9,293,038
- In/Out	350,000
- Veterans Tax Credit	205,000
- Debt Service	1,155,841
Recommended Base	\$7,582,197
Multiplier 1.8%	\$136,480
Base + Multiplier =	\$7,718,677
+ In/Out	375,000
+ Veterans Tax Credit	205,000
+ Debt service	1,104,578
+ Overlay	100,000
+Presidential Primary/Election	9,250
Subtotal	\$1,793,828
Total Recommended	\$9,512,505
Real \$ Increase	\$219,467
Actual % Increase	2.36%

The 2007 approved budget of \$9,293,038 is reduced by removing items that should not be subject to an inflationary increase. In and out items are expenses that have offsetting revenue are removed, as well as the veterans tax credit and debt service. This leaves a recommended base budget of \$7,582,197.

This is then multiplied by 1.8%, which is the July-July consumer price index average for the Boston-Brockton-Nashua Region. This is a \$136,480 allowable increase to the base, giving a total of \$7,718,677.

The items removed earlier are now added back in, using the 2008 proposed amounts. This gives a total recommended budget guidance of \$9,512,505, which allows for a \$219,467 increase over the 2007 approved budget. This gives a 2.36% actual increase.

Questions from the public

Bill Matthews, 62 Crestwood Drive – He questions if these figures include all warrant articles. Melinda explains that this does include all warrant articles, salaries, benefits, etc. It is all inclusive.

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The second slide shows the selectmen’s proposed budget of \$9,701,402. While this is over the BudCom’s total recommended budget, there are some items with “connected” revenue that helps to offset some of these appropriations. These are all items that would not have any revenue without the expenditure. If the town does not approve the warrant article for the sidewalks, then the town will not receive the connected grant revenue.

Gross Proposed Appropriation	\$9,701,402
"Connected" Revenue	(224,000)
Total Proposed	\$ 9,477,402
Delta Recommended to Proposed	\$(35,103)
Percentage Increase	1.98%
Connected Revenue	
Sidewalk Grant	\$128,000
Capital Reserve Discontinuance	20,000
Fire Capital Reserve Withdrawal	26,000
Public Improvements Reserve Withdrawal	50,000
	<u>\$224,000</u>

The total of all connected revenue is \$224,000, which lowers the total proposed budget to \$9,477,402. This is \$35,103 less than the BudCom’s total recommended budget, which is a 1.98% increase.

Total Warrant Articles	\$9,426,402
Anticipated Revenue & Credits	(4,144,784)
Shared revenues	(11,395)
Expenses not in Budget by DRA regulation	
Veteran's Tax Credit	205,000
Overlay - tax abatements	70,000
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Anticipated Town Tax Effort	\$5,545,223
2008 Estimated Valuation	\$1,084,378,895
Proposed Tax Rate Increase	2.27%

The third slide lists out all proposed warrant articles. The total for all warrant articles, including the operating budget is \$9,426,402. This does not include veterans tax credits or overlay items, per the Department of Revenue Administration. The total of these, less any anticipated revenues & credits and shared revenues, gives a total of \$5,545,223 that is to be raised by taxes.

This calculates to a 2.27% increase to the tax rate.

The last slide shows a breakdown of the budget by department.

Questions from the public

Bill Matthews, 62 Crestwood Drive – He questions why the tax rate percentage is higher than the budget percentage increase. Melinda explains that they are anticipating less revenues this year. The current use revenues are way down. Mike states that this is due to a combination of revenue and expenditures.

Warrant Articles

1. Officials Reports – No BudCom action required, therefore no discussion was made on this article.
2. Elderly Exemption Modification – This exemption has not been updated since 2003. Given the inflation since that time and the revaluation of properties that is currently in process, the Selectmen feel it is appropriate to allow for a 10% increase to the assets used for the qualification limits. The amount of the exemption is a 15%. If the exemption were only increased by 10%, people would actually be paying more tax in the next cycle, which is why they increased this to 15%.

Don questions how the guidelines are established. If an elderly person owns more than the 2 acres, it may disqualify them. He questions if there is a way the Town could adjust the asset limit to compensate for people owning additional acreage. Troy explains that when a person applies for this exemption, they must meet the asset limitations in order to qualify. The house is exempt, as well as 2 acres of land. All other assets must be reviewed. The Town needs to be careful with making changes. It is possible that someone could have a \$850,000 home that is exempt. Don points out that a person could also have a \$300,000 home situated on 6 acres. This land could potentially be subdivided, which is not in the best interest of the town. Melinda states that this would be penalizing people for their stock investments vs. a land investment.

Mark reads from RSA 72:39-a (Conditions for Elderly Exemption), which states "... excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance." He points out that this does not refer to any other land that may be owned by the person. Unless the RSA is changed, he does not see how the Selectmen could alter this requirement. Don agrees that the only way around this issue is to increase the income limits.

Questions from the Public

Kathy Lewis, 198 Worcester Road – She points out that this does not necessarily limit the exclusion to only 2 acres, as it would be what is required by the zoning ordinance. Her property is a 4 acre backlot, which is the

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minimum required for a backlot, therefore the entire 4 acres would be excluded.

3. Municipal Building and Facilities Maintenance Expendable Trust Fund – These funds would be spread out to different departments for emergency issues. They prefer to pool these funds, in case 1 department has an emergency need, yet the others do not. Rather than placing this within the executive budget, this would be an expendable trust fund, where any unused funds from each year can be retained. This will build up towards future major maintenance items. Mike questions whether there will be a cap to this fund. Troy is not sure if they have a ceiling on this. They feel that with \$40,000, approximately 50% would be expended each year. Next year they will ask for another \$40,000. This will be a constant number from year to year to help keep a level budget. This will not impact the operating budget for major repairs. Mike would like the Selectmen to think about what size they anticipate this becoming in the future.

Questions from the Public

Bill Matthews, 62 Crestwood Drive – He questions if these funds have been pulled from other budgets. Melinda indicates that this is correct. Troy adds that this fund will be for major repairs. The individual departments will still purchase cleaning supplies and handle routine maintenance items.

Mike believes this fund may be too small for the purpose they intend. He suggests the selectmen give some more thought to what kind of items could come up and what the costs would be.

4. Employee Health Insurance Expendable Trust Fund – This is for the self-funded health insurance. This must be reported separately from the operating budget. The selectmen had a good negotiation with the benefits broker, and were able to adjust some aspects of the plan in order to be more cost effective. There were some restrictions due to the current union contract. The town saved \$150,000. Mark mentions that this is still 8% of the budget. Melinda points out that some of the increase is due to new employees that were hired mid-year.
5. Compensated Absences Payable Expendable Trust Fund – The State mandates that each municipality have monies available for retirees, yet recently the town has had many employees leave, therefore this fund is not building up as it should. Chris asks if the town has any incentives for early retirement. Paul indicates that there is none. There is only the NH Retirement system, which is no guarantee. Melinda mentions that town employees may accrue up to 500 hours of earned time. They must keep this fund going to help fund this accrued time. Paul states that each year the town puts away \$20,000 towards this gross liability. Hollis is currently at 44%. Some towns are at 100%, while many others have not started funding this at all.

Melinda points out that 3 department heads have retired in the last 14 months. This caused a significant reduction to the balance. Troy explains that this fund is for the worst case scenario to pay all employees for their earned time, should they all leave today. Chris cautions about over funding this account. He feels that allowing employees to accrue 500 hours is a bit much, he would like the selectmen to review this benefit. Paul mentions that other communities are at a higher level or allow sick time accrual. Hollis does not allow for the sick time accrual. Mark states that this is essentially a 3-month retirement package. Melinda stresses that this is vacation time that has been earned, yet not used by the employee. The town does have a requirement that employees must take a certain amount of earned time each year. They are encouraged to take time off. Chris stresses that the private sector allows much less. Rick points out that it takes a long time to accrue 500 hours. Mike agrees with Chris that this should be reviewed further.

6. Cable Franchise Fee Special Revenue Fund – Currently the town receives \$50,000 from cable franchise fees. This presently goes into the general fund, which benefits all residents in town, yet not all residents pay towards this. This idea was originally proposed as using 100%, yet the selectmen have compromised to place 50% of this fee into a special revenue fund, which will be used to help upgrade services within town. This article is to create the special revenue fund, while the next article is to fund the account.
7. Cable Franchise Fee Special Revenue Fund – This places 50% of the cable franchise fees into this special revenue account, while the remaining 50% will go into the general fund. Some of this fund will go towards upgraded broadcasting equipment at the police station and for a portion of the IT Specialist's salary. Don feels this fund should have a ceiling placed on it, as it could get out of hand. Melinda agrees. Mark points out that they are trying to renegotiate the cable contract. There are many items that need to be corrected. He would like to reduce this fee. It is a direct tax on the people in town that use cable. Vahrij stresses how it is not fair for 50% of the town to pay for the other 50% of the town by having these fees placed into the general fund. He would like to see 100% of these fees placed into the special revenue account. These fees are being paid by cable users, therefore 100% of the fees should be used towards upgrading cable services. He would like to see

this increased to the full 100% next year.

8. Special Revenue Accounts – In order to make the warrant more efficient, 3 on going special revenue accounts have been lumped into 1 article. They have already received approval from the DRA to do this. The article will fund all 3 accounts; Police Private Details Fund - \$100,000, Old Home Day Fund - \$50,000, Ambulance Fee Fund - \$200,000. These are all in and out accounts.
9. Recreation Revolving Fund – The Recreation Commission has problems each year with funding for their programs. If they anticipate 100 children for a program, yet have 120 children register, there is not enough money budgeted. With the revolving fund, the registration fees paid can go right to the program, rather than into the general fund. This account will be fully audited, with monthly reporting to the selectmen and quarterly reporting to the BudCom. There will be strict procedures for this. The selectmen have the authority to expend these funds. There will also be some operating expenses funded through this account as well. All other operating expenses will come from the operating budget. All program related expenses have been removed from the operating budget. This has been designed so that the account will not build and become a savings account. Chris suggests reviewing this next year to see if the concept is working and if they want it to continue. Melinda agrees this is a good idea. It may take a little time to get this going at first. Tom asks if any balance at the end of the year will carry over to the next year. Troy explains that all special revenue, revolving and expendable trusts will have carry over balances.

Questions from the Public

Steve ?? – He questions what will happen over time and if the town will continue to allocate funds into this account or will it become self-funding. Melinda explains that to a certain extent it will be self-funding, with administrative and maintenance coming from the operating budget.

10. Ash Street Sidewalk Grant – This is the last year the town can take advantage of this grant. The total cost of the project will be \$160,000, with \$32,000 paid by the town and \$128,000 from a State grant. The original project has already been partially completed. This will create a sidewalk from the Post Office, up Ash Street towards 4-corners. They will construct a sidewalk as far as the funds will allow. The selectmen have also found a grant that will pay 100% for extending the existing sidewalk to the elementary school. They have already completed the sidewalk to the high school and middle school. Mike comments that he has historically been against the sidewalk projects, yet with the grants this seems too good to pass up. Tom asks if this will go out to bid and who will be doing the engineering for the project. Jeff explains that all aspects of the job will be put out to bid. The \$160,000 will cover the costs of engineering and construction.

Questions from the Public

Kathy Lewis, 198 Worcester Road – She questions whether there will be a crosswalk created from the new sidewalk to cross the road at 4-corners. She feels this is a major safety issue. She reminds the BudCom of problems the school has encountered with getting a crosswalk from the middle school down to Monument Square. The State will not approve it. Melinda feels that it will be easier to obtain State approval for a crosswalk at 4-corners vs. at the middle school. The site distance problems that are of concern at the middle school are not present at 4-corners. Kathy feels that before the town spends money on this sidewalk, they should have assurance that they will be able to create the crosswalk. Melinda explains that the funds will only be enough to create a sidewalk partway up Ash Street. The next grant will extend this from Ash Street to the elementary school. Mike agrees with Kathy's concerns. Kathy states that if she were asked to vote on this article as it is currently worded, she would expect this to extend as far as 4-corners, not just to a point where funds allow. Troy explains that the scope of the project is from the Post Office to Main Street. Mike agrees that the wording should contain a caveat that the sidewalk will extend only as far as funding permits. People should know what to expect. Troy suggests adding the word "approximately". Vahrij points out that this grant continues the previous grant and has an expiration at the end of this year. If we don't do it now, we lose the grant.

11. Mobile Data Terminals for Police Cruisers – The Police Chief has requested these for several years. The selectmen feel it is an appropriate time to go ahead with this now. There will be many benefits for the police department. Russ explains that this is more of an efficiency issue. Currently the officers must spend 2 hours of their shift in the police station just doing reports. Having the mobile data terminals will eliminate 80-90% of this. Most reporting can be done in the cruiser, out on the street. This will be more efficient and will create more visibility of the police out on the roads

Don questions what affect this will have to fuel costs and lifetime usage of the vehicles. Russ states that there will definitely be an impact, but he is not sure how much. There are times when the officers cannot shut of the vehicles, such as at the

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scene of an accident. The data terminals will not have much draw on the electrical system. Don is concerned that they may not be budgeting enough for fuel costs. Russ plans to monitor this over the year. Tom questions the feasibility of a grant for this purchase. Russ is not sure yet. He has already applied for \$10,000 from highway safety. They are currently in the middle of the State's fiscal year. If the State has already expended their grant funding for this year, Hollis will be at the top of the list in September for the next fiscal year. A portion of this project is software related. He may be able to apply for a grant for some of this as well. The mobile data terminals will have a connection to a database, with a link to the State police. Currently the officer must talk to a dispatcher, who looks up the data on their desktop computer, who then relates the information back to the officer. The mobile data terminals will allow the officer to look this up themselves.

Bob asks if the officer will have the ability to swipe a person's license. Russ hopes to eventually have this. Tom comments that this is being fully funded in the article, yet he is also looking for a grant. Melinda states that the selectmen have removed the grant from the anticipated revenues, as they feel that this is important whether they receive the grant or not. These need to be purchased this year.

Questions from the Public

Steve ?? – He questions if the cost also includes training. Russ explains that it does include training. He will also need to work out some policy issues, such as not using the terminals while driving the vehicle.

12. Fire Engine Lease Purchase – Historically this has been funded through capital reserves. Once enough money was saved, they could purchase the equipment. Mark stresses that this article and the other lease articles, are for capital expenditures identified on the CIP. Many of these have been delayed for many years. The current market for capital for municipal leases is very favorable to the town. There is no depreciation tax advantage for the town owning the equipment. This way the dealership maintains ownership and benefits from the depreciation tax advantage of the capital equipment, until such time as the town purchases it for \$1.00. This works out to be less than the true rate of inflation. By leasing it helps to level out the budget. It will eliminate the peak and valley funding for capital equipment.

Mike asks if this needs to be voted on like a bond. Melinda states that this is a straight article. In future years the lease payments will be included in the operating budget.

Questions from the Public

Hank Ciofrone, 63 Arbor Lane – He asks if they have taken into consideration that fund rates may be going down in the future. Paul explains that they are budgeting for worst case scenario. At the time the contract is signed, the rate will be locked in. This is a conservative estimate. If they are able to lock in a lower rate, that is more money back to the taxpayers.

Bill Matthews, 62 Crestwood Drive – He questions what will happen to the capital reserve accounts that have already been established. Melinda states that the selectmen are recommending 2 other articles to use some of those capital reserve funds to go towards these lease payments. Paul explains that while the town cannot use capital reserve funds to go directly for lease payments with an escape clause, the funds can be returned to the general fund which is then used for the payments.

Tom questions some numbers on the CIP report. Is the \$225,000 already committed? Paul explains that this is correct. The equipment has already been ordered. There will be a \$125,000 balance at the end of 2008, which will be returned back to the general fund. Chris asks if any items listed on the CIP have been pushed ahead of schedule. Paul states that the excavator has been moved up, yet this was also pushed out several time, most recently to 2009.

Mark stresses that the selectmen feel this to be the smartest way to handle these items. The taxpayers need consistency. Mike agrees that by leasing the equipment it does place the tax burden on the future users of the equipment, rather than on past residents. Bob questions the total amount of all leases. Mark indicates that this is \$250,000, which is close to or lower than what was being placed in capital reserve accounts in the past. Troy stresses that they must understand that the CIP was prepared in the past, which was the traditional way of financing equipment. When the BudCom talks about accelerating the purchase, this may not be an accurate statement. In the past the town was paying cash and could only afford 1 piece of equipment each year. They had to prioritize these purchases. The lease purchases are a different way to look at this and changes the priorities for each department. Mike cautions that they should be careful spending money if it is not necessary to have the new equipment. Don't spend for the sake of spending.

Mark mentions that the lease purchases will also allow the town to get better warranties on the equipment. Melinda points out that they have not included the sale of the existing equipment into any anticipated revenues. This will also help with the

tax rate.

- 12a. Fire Engine Capital Reserve Fund – This is a back-up article, in case article 12 does not pass. This is to place \$137,000 into capital reserves.

Questions from the Public

Bill Matthews, 62 Crestwood Drive – Looking ahead in the warrant, there will be 7 new vehicles leased, which allocates lease payments for the future. Melinda states that traditionally they have put aside this amount of money into capital reserves anyway. Mike asks if these are the most important needs for the next 7 years. Melinda agrees that these are the most important, yet there may be some more in a few years, yet other items, such as the sidewalk, will not be in the budget at that time.

Hank Ciofrone, 63 Arbor Lane – He asks if the lease agreements require the town to have extended warranties on the equipment. Jeff explains that his crew handles most of the minor maintenance items in-house. Hank questions if they would be allowed to take the vehicle anywhere for maintenance, or would they be locked into using only the dealership. Rick indicates that they will be able to take the vehicles anywhere they chose.

Chris questions what other vehicles may be needed in the future. Paul directs them to look at Page 5 of the CIP list. This shows that the fire department is good for 10 years. The highway department has dump trucks listed for 2010 and 2013, a John Deere tractor for 2009 and a grader in 2011. This list is good for 7-10 years. Melinda points out that the total leased amounts on this report shows almost level funding. Some items drop off, while others come on. Paul states that the peak will be in 2012.

13. Forestry Fire Truck Lease Purchase – Rick explains that he currently has a 1952 forestry truck that has gone as far as it can go. This will be out of service next year. This has been on the CIP for 30 years or so and keeps being pushed out.
14. Fire Tank Truck Lease Purchase – Melinda explains that Rick originally requested \$100,000 for a partial repair for this 1984 tanker truck. The lease will be \$16,000. There is a strong need for this piece of equipment.
- 14a. Fire Tank Truck Repair – In case article 14 fails, this article is to raise \$100,000 to repair and replace the tanker truck body.
15. Discontinuance of Four-Wheel Drive Utility Truck Capital Reserve Fund – These funds will be returned to the general fund to help offset taxes.
16. Dump Truck Lease Purchase – This is a lease purchase for 2 dump trucks. These have been requested for many years. They have been patched too many times.
- 16a. Public Works Dump Truck Purchase – In case article 16 fails, this article is for an outright purchase for 1 dump truck. \$115,000 would come from general taxation and the remaining \$20,000 withdrawn from capital reserves.
17. Backhoe Lease Purchase – Jeff explains that the existing backhoe has serious problems that are not worth fixing. The transmission is gone, the windows are rusted out.
18. Excavator Lease Purchase – Jeff explains that this piece of equipment has been pushed back on the CIP for many years. The excavator is only used in the summer, yet there are many jobs that only an excavator can perform. A backhoe can only do so much. There are many times that they need the extra reach that the excavator gives. Digging graves in the cemetery is much easier and less disruptive to adjacent graves with this equipment. It may be possible to get a discount on both the backhoe and excavator if leasing from the same dealer. He will be looking into this.

David Petry arrives at this time.

19. Skid Steer Lease Purchase – Jeff explains that this is used at the transfer station. He will move it to the stump dump to help move material around. This equipment has no trade in value and it makes more sense to put it to some use.
20. Discontinuance of Major Highway Equipment Capital Reserve Fund – These funds will be returned to the general fund or used to help fund the outright purchase of a dump truck should article 16 fail.
21. One New Police Officer Position – Last year the Police Chief asked for 2 new officers, yet the selectmen only supported 1. This year he is asking for this position again. It is very important this year. The amount shown in the article represents 9

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months of salary and benefits. The article also shows the full year salary/benefits that will included in the operating budget for 2009. Russ explains that the police department is dangerously understaffed. He needs 2 officers on duty 24/7. With perfect conditions, he currently has enough staff for this, however this does not allow for any vacations, no sickness, no training, etc. Don comments that it sounds like this 1 new officer will help, but will not solve the problem. Russ agrees with that statement. He points out that his staff is currently at ½ of what it once was. The community has grown, but not the staff. There are shifts when he only has 1 officer on duty. The staff is exhausted.

Melinda mentions that many times the Chief and Lieutenant are out on patrol, which means they are not doing their own jobs. Russ again asked the selectmen for 2 new officers this year, with the selectmen only supporting 1 position. Russ stresses that 1 will not solve the problem. The staff situation is the same as with the equipment. They keep being pushed out until the town reaches a critical level. He really needs 2 more officers. Tom comments that the overtime budget was overspent last year. He questions if this new officer will help to decrease the overtime costs. Russ explains that this will not help that situation, yet it will help the rest of the budget to stay level.

22. Operating Budget – Paul mentions that this amount should be \$7,866,242. Changes were made to the budget at the last minute, yet the warrant was not corrected. This matches the figures shown on the budget sheets.

Questions from the Public

Bill Matthews, 62 Crestwood Drive – He questions why there is no article for salary increases. Melinda explains that all salary increases are included within the operating budget. The town budget is handled much differently than the school and there does not need to be a separate article each year for union cost item increases. The town has ½ of its employees that are not part of the union.

23. Petition Article – No BudCom action required, therefore no discussion was made on this article.

Operating Budget

Executive – This is up 1.8%. The executive budget includes salaries for the town administrator, 2 secretaries and 1 clerical assistant. This also includes special projects and stormwater related expenses. This year a new line item was added for Elder Services. They decided to begin funding this conservatively with only \$500.00. These funds are not targeted specifically. The seniors recently offered a drivers safety class, these funds could help to offset similar classes. They are also looking into offering some kind of transportation service for the elderly.

Don comments that the overtime line item has been reduced to nothing. Melinda states that employees will still have comp time, yet no overtime. They are changing their office management regarding hours worked. Employees will have the flexibility to have comp time instead. Don states that employees are forced to work evenings with no shift differential. Melinda states that it is part of their job description to attend night meetings. If Debbie were to work 5 hours at night for a meeting, she would then only work 35 hours during the day the rest of the week to keep her total hours to 40. Troy states that they are trying to manage schedules to keep staff at 40 hours so they do not have to pay overtime. If an employee has reached their 40 hours by Friday, they can go home early or accrue comp time. He personally would prefer to pay overtime, yet the selectmen are trying to save money. Tom stresses that this is changing past practices and is not fair to the employees. They are expected to work nights and take time off during the week. This is a change to what they were hired to do. It appears the employees have no choice now.

Mike questions the line item for the engineering consultant. Melinda explains that this is to pay for an architect to design a town hall renovation plan. They hope to have this plan ready for 2009. Tom asks if the Farley Building will be included. Melinda states that the town hall is more important at this time. How these buildings are used will be reviewed together, however funding is more important for town hall. The selectmen do not wish to hold up work on town hall waiting for the Farley Building. There are many issues at town hall that need to be addressed soon.

Questions from the Public

Dick Brown, 248 Hayden Road – He recalls an architectural study on town hall was done several years ago. Why do they need to spend money to have more done? Melinda explains that they have 3 sets of previous plans. They need to look at the current and future needs of the town hall. Those old plans do not address current needs. Dick asks if there will be any additions made to the building. Melinda states that they may need to fill in the rear alcove area and install an elevator. They will need to utilize all parts of the building.

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Town Clerk/Voter Registration – The town clerk is down, while voter registration is up for this year due to the increased number of elections.

Finance – This is up 3.3%, which is mainly salary driven. Chris stresses that the company that performed the previous revaluation made numerous mistakes. He asks if the town has the ability to recover some of these funds for services not received. Mark agrees this is something they need to look into.

Legal – This is down. They have moved some of this budget over to the Planning budget, as there are a few law suits pending.

Employee Benefits – This is up 11.43%. Part of this is due to new employees now receiving a full year benefits. State retirement is up 18%, which is mandated. This will only get worse. Chris states that this will ultimately end up hurting the employees. Mark agrees. The State needs to correct the problem.

Planning and Zoning – This is up 5.09%. \$5,000 has been added to legal fees, which was moved from the executive budget.

Town Building and Grounds – This is down due to the establishment of the maintenance expendable trust.

Cemetery – This is down. The church cemetery wall has been completed.

Insurance – This is down. Several workers compensation claims are now coming off the books, which helps with the averaging. Primex is now going to a 4 year average. Next year this should increase.

Municipal Association – This is fees for Nashua Regional Planning Commission.

Information Systems – This account is down slightly. The IT Specialist does a wonderful job recycling computers around to lower usage areas and keeping all systems running.

Police – This is up 8.35%, mainly due to salaries and fuel costs. This also includes \$4,100 lease payment for a new motorcycle and \$4,000 for radio, headsets and radar for the motorcycle.

Fire – This is up 8.69%, due to salaries and fuel costs.

Communications – This is up 6.10%, due to salaries. Mike questions a \$4,000 increase for equipment. Russ explains that this is for a specific item to help increase efficiency. Currently the recording equipment is not digital, which causing delays when attempting a playback. By creating this digitally it will speed up the process.

Building and Septic – This is up due to salaries.

Emergency Management – This has remained level.

Highway Administration – This is up due to salaries. Chris questions why there is a line item in this budget for physicals, yet there is not in the police or fire department budgets. Jeff states having a physical is a Department of Transportation standard that must be met. Russ mentions that both the police and fire departments require routine physicals, yet it is worded differently in the budget.

Road Rebuilding – This includes \$61,000 for rebuilding Ames Road. There is already \$50,000 in a culvert savings account, so only \$11,000 will come from taxes. There is also a culvert on Rocky Pond Road that needs to be replaced this year, as well as work on Hillside Drive and Wright Road. A new generator and pickup truck will also be purchased this year.

Questions from the Public

Dick Brown, 248 Hayden Road – He questions whether line item 1-402 is the cost for the street sweeper. Jeff indicates that this line does include the street sweeper, as well as catch basin cleaning and other services. Dick comments that if this contractor is being paid by the hour, it is a waste of town money. He has seen the contractor sitting in a running machine on the side of the road. The sweeper also travels down a clean road with the brushes running, yet no debris is being swept. Some streets in town do not need this service. Jeff explains that if the town stops this service there will be many more people upset over that. If the sweeper lifts the brushes, it tends to leave a pile of debris, therefore it is better to keep them going while traveling down the road. David states that the selectmen will discuss this at one of their meetings. This is not a budget issue, but a quality of service issue.

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Street Lighting – Jeff is working on this issue to make it more cost effective for the town.

Town Dumps – This is up due to salaries and the increased costs to remove items from the dumps. Some of these costs are partially offset by revenue received from fees.

Solid Waste Disposal – This is up slightly due to an increase from Souhegan Valley.

Health Department – No change.

Animal Control – This is up due to salaries.

Health Agencies and Hospitals – Many residents in Hollis utilize services that are not offered within town. This helps to offer more of a fair share to these agencies. They have increased the amounts and have added a few new agencies.

Direct Assistance – No change.

Parks and Playgrounds – This is included within the recreation budget.

Recreation – This is down due to the creation of the revolving fund. \$40,000 is budgeted for administration and some maintenance. \$11,000 will come from the revolving fund to assist with field improvements and fencing at the Hardy fields. Chris questions what happened to the “big” plan for the Hardy field. Paul states that \$260,000 was spent on those fields, yet the scope of the project was reduced to get down to this lower figure. David indicates that he will find out about their future plans for this area.

Questions from the Public

Kathy Lewis, 198 Worcester Road – She recommends increasing the recreation budget by \$2,000. She has been approached by numerous young men in Hollis that are looking for town support for the construction of a skate board park. There are 35 boys working on a design and plans, hoping to make this happen. They are hoping to privately fund the majority of this project. These boys are currently skating in areas that are close to roads or pedestrians, creating a dangerous situation. The kids deserve a safe place for their sport. She is asking for the additional \$2,000 to help fund their endeavor. They will need assistance with their fundraising, for mailing costs and possibly to hire a consultant. A way to provide legitimacy to their idea.

David feels this should go through the Recreation Director first. Melinda states that she spoke with Kathy about this and she suggested that Kathy bring this up tonight, rather than doing it at Town Meeting. David feels the biggest issue with this idea is the lack of space. There is no land available. A project like this needs visibility. Vahrij comments that he allows them to skate in his parking lot at the pharmacy. If he did not allow this, where would they go? This is a very popular sport. He supports this idea 100%. Children on drugs is a problem. If they do not create an area for them, they will have problems. These are very respectful kids. Mike comments on the skate park located in Nashua. It is great and is used all the time. He does not see that a skate park would require much room. He feels the selectmen need to make a recommendation on this issue. Kathy stresses that she feels very strongly about this.

Library – This is up 4.5%. The library is in the final stage of their increased hours.

Patriotic Purposes – \$2,000 of this will go towards Old Home Days.

Conservation Commission – Remained the same

Debt Service – This is coming down as they work through the bonds.

With no further questions or comments from the public, the Public Hearing closed at 10:30 PM.

Warrant Article Recommendations – Note: Selectmen’s Representative, Melinda Willis did not vote on any recommendations.

1. Officials Reports – No BudCom action required.

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2. Elderly Exemption Modification – Chris moves that the BudCom recommend this Article. Seconded by Frank. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.

3. Municipal Building and Facilities Maintenance Expendable Trust Fund – Tom moves that the BudCom recommend this Article. Seconded by Chris.

Discussion – Bob feels there should be a limit to this fund. Chris agrees. Tom comments that they used to budget \$50,000 for this.

Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.

4. Employee Health Insurance Expendable Trust Fund – Don moves that the BudCom recommend this Article. Seconded by Tom. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.

5. Compensated Absences Payable Expendable Trust Fund – Tom moves that the BudCom recommend this Article. Seconded by Don.

Discussion – Chris thinks the town should look into where they need to be with this fund. He is also concerned about the 500 hour accrual. The town should rethink this item during the next negotiation. Bob agrees. Maybe not for existing employees, but any new hires have a lower cap.

Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.

6. Cable Franchise Fee Special Revenue Fund – Don moves that the BudCom recommend this Article. Seconded by Frank.

Discussion – Tom comments that the 50% concerns him. He would like to see a plan on what this is being used for. Chris agrees this should be used for short term needs, yet in the long run these funds should go back to the users. Mike comments that the people that use cable services pay more tax. He agrees that the 50% is a concern. If this article were voted on each year, this would not be a problem. Chris suggests changing the wording to “as provided for yearly”. Don suggests changing the wording to “amount to be provided for in separate article”. Melinda points out that they would need the DRA to approve any change in wording. Tom suggests placing \$25,000 in the operating budget and removing articles 6 & 7.

Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion failed 0-6-0

7. Cable Franchise Fee Special Revenue Fund – Chris moves that the BudCom NOT recommend this Article. Seconded by Bob. Motion approved 6-0-0.

8. Special Revenue Accounts – Don moves that the BudCom recommend this Article. Seconded by Tom. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.

9. Recreation Revolving Fund – Chris moves that the BudCom recommend this Article. Seconded by Frank. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.

10. Ash Street Sidewalk Grant – Don moves that the BudCom recommend this Article. Seconded by Tom. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.

11. Mobile Data Terminals for Police Cruisers – Don moves that the BudCom recommend this Article. Seconded by Chris. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.

12. Fire Engine Lease Purchase – Tom moves that the BudCom recommend this Article. Seconded by Don. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.

12a. Fire Engine Capital Reserve Fund – Don moves that the BudCom NOT recommend this Article. Seconded by Chris.

Discussion – Tom feels the BudCom should recommend this article. It would be foolish not to. Chris states that they can word their recommendation that it is contingent upon article 12. Mike stresses that they cannot do this. Tom feels it should be fully explained at town meeting why they have an article that is not recommended. It will be confusing to the taxpayers to have an article that is not recommended by the selectmen and is not recommended by the BudCom. It would be much better to have the BudCom recommend this. Bob comments that this is really a positive, negative.

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Don withdraws his Motion.

Tom moves that the BudCom recommend this Article. Seconded by Don. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.

13. Forestry Fire Truck Lease Purchase – Tom moves that the BudCom recommend this Article. Seconded by Bob. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.
14. Fire Tank Truck Lease Purchase – Frank moves that the BudCom recommend this Article. Seconded by Chris. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.
- 14a. Fire Tank Truck Repair – Don moves that the BudCom recommend this Article. Seconded by Tom. Motion approved 6-0-0.
15. Discontinuance of Four-Wheel Drive Utility Truck Capital Reserve Fund – Chris moves that the BudCom recommend this Article. Seconded by Frank. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.
16. Dump Truck Lease Purchase – Don moves that the BudCom recommend this Article. Seconded by Tom. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.
- 16a. Public Works Dump Truck Purchase – Tom moves that the BudCom recommend this Article. Seconded by Frank. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.
17. Backhoe Lease Purchase – Tom moves that the BudCom recommend this Article. Seconded by Chris. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.
18. Excavator Lease Purchase – Tom moves that the BudCom recommend this Article. Seconded by Don. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.
19. Skid Steer Lease Purchase – Tom moves that the BudCom recommend this Article. Seconded by Chris. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.
20. Discontinuance of Major Highway Equipment Capital Reserve Fund – Tom moves that the BudCom recommend this Article. Seconded by Frank. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.
21. One New Police Officer Position – Tom moves that the BudCom recommend this Article. Seconded by Chris.

Discussion – Don questions how they can change this to add 2 new officers. Tom feels that 2 new officers would fail. He would rather go with just the 1 and not take the chance that they end up with none. Chris feels they need to phase this in.

Voting in Favor of the Motion – Don, Bob, Tom, Frank, Chris. Voting in Opposition to the Motion – Mike. Motion approved 5-1-0.

22. Operating Budget – Melinda states that the selectmen just voted to add \$1,000 to special studies within the executive budget for the skate park. Therefore this article will be to appropriate \$7,867,242. Don suggests increasing this by another \$25,000 for cable TV. Chris would like to remove \$43,000 for the Ames Road project.

Chris moves that the BudCom recommend \$7,849,242 for this Article. No second offered.

Discussion – Mark stresses that the town has already received some FEMA funds for Ames Road, which would have to be returned. Some of this has already been expended on engineering. Melinda states that there are also safety issues. Russ argues that Witches Spring Road is at an awkward angle to Silver Lake Road, which cause safety concerns. Rick explains that the fire department has only a certain amount of fire hose. With Ames Road open, there is enough room to lay out all the hose and be able to reach all the homes in case of an emergency. With Ames Road closed there are a few homes that cannot be reached. The hose does not reach a water source. Jeff adds that the selectmen have already authorized the order of a pre-cast culvert, which may be in production already. If so, the town would still be liable for payment of this special order. Melinda stresses that if the BudCom reduces the operating budget, the selectmen can still decide to repair Ames Road and take the money from another area within the budget. This will not stop the project. Chris states that he is not happy with this, as he feels it to be a wrong expenditure of taxpayer funds.

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Chris withdraws his motion.

Don moves that the BudCom recommend \$7,892,242 for this Article. Seconded by Tom. Voting in Favor of the Motion – Don, Bob, Tom, Frank, Mike, Chris. Motion approved 6-0-0.

Next Meeting will be held February 13, 2008 at 7:30 PM in the Community Room, Hollis Town Hall for the Public Hearing of the School Budget

Tom moved to adjourn. Seconded by Don. Motion unanimously approved.

Meeting adjourned at 11:25 PM.

Respectfully submitted,

Deborah Adams, Secretary