



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

### **Minutes of May 24, 2011**

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Chris Hyde, Chairman at 7:00 PM.

Members present: Chris Hyde, Chairman; Mike Harris, Frank Whittemore, Susan Benz, Tom Gehan, Rich Manley, Tom Jambard (arrived at 7:20)

Also present: Mark LeDoux – Selectman, Rob Mann – Hollis School Board

#### Review of Minutes

Apr. 26, 2011 Chris H. deferred the minutes to the June meeting.

#### Town Report

Mark L. reviewed the discussion from the previous Selectman's meeting regarding the cost estimate overrun for the Library roof repair. Through negotiations with the contractor, the estimate was adjusted to a number which is manageable, utilizing funds from the Capital Reserve Fund for building maintenance as necessary.

Rehabilitation of Town Hall is nearing completion. The next items on the agenda are windows and painting/siding.

The Town budget is running on schedule. Due to the retirement of Chief Ux, staffing is down one member at the Police Department. There is ongoing discussion regarding how the department should ultimately be structured, but it was not anticipated that any additional staff would be on the payroll before the end of the year.

Transition to the LGC health insurance program from self-funded has gone smoothly. The "run-out" period for the self-funded plan was completed with no unanticipated costs. The net effect for this budget year should be a reduction in overall costs for health coverage. More detail will be available at the next BudComm meeting.

The other area of concern is health care costs for retirees, which is part of the current union contract. The concern is that it represents an unfunded potential liability in excess of \$2MM. It has been proposed to remove that clause in exchange for a one-time, lump-sum payment to the represented employees. The discussions are still ongoing.

The tax warrant for the 1<sup>st</sup> installment of 2011 was signed and tax bills are going out shortly. There is some concern regarding the level of unpaid taxes from prior years, but no cause for immediate alarm.

The Ash Street Sidewalk Project is slightly ahead of schedule. Anticipated completion date is July 4, but could be sooner if no other complications arise.

#### School Report

Rich Manley reviewed the most recent financials from the school district. Approximately \$70K is anticipated in the unreserved fund balance.

The water system is still a concern. It is believed that a fairly significant leak exists in the section of line

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downstream of the take-off for the Hollis Elementary schools and prior to the H/B Middle School, possibly where the buried pipe runs through a swamp area. It was agreed that the three water entities should share in the costs of locating the leak and subsequently repairing it. There seemed to be no specific plan in place other than to form a committee among the three water users which would be responsible for resolving the problem. Funds could come from contingency/unreserved fund balance, at least for the early phase of pinpointing the leak. It was agreed that preliminary work should be started, even without an agreement in place regarding the cost apportionment among the three involved entities. The suggestion of installing a holding tank at HBMS, which would allow the system to operate at lower pressure, was well-received. More work is needed to determine the cost of that option.

A request from the SPED coordinator for funds to retrofit two rooms at HPS was discussed. It was concluded that rather than use encumbered funds from this year, it would be better to request it in next year's budget.

A proposal for implementing full wireless capability at HPS, at a cost of \$7500, was put forward for this year's budget. The committee discussed various options for cost cutting. The eventual consensus was that this would be better as a proposal for the next budget cycle.

### Committee Updates

Mike H. is on two committees, Farley Building and Non-Union Benefits. He is waiting to be notified when these committees are scheduled to meet.

Susan B. is on the search committee to find a replacement Finance Officer. The committee has not yet met. Mark L. reviewed what the Selectmen have been discussing regarding what to do with the Finance Officer position. The thinking is that the position might not need to be full-time. They are investigating whether it would be possible to have a part-time accountant three days per week, and hire a municipal finance contractor as needed to file forms, etc. This could result in significant cost savings.

### Other Business

Chris H. talked about the proposed format of the data spreadsheets for services, staffing, enrollment, salaries, etc, and the proposed timeline for the budget process, that were circulated via email. The intent is to identify trends and be able pinpoint areas of concern early in the budget cycle. A preliminary timeline for the entire budget process was discussed. Mike H. mentioned that the BudComm will need to provide guidance to the SAU the same way they do with the Hollis School Board. He wondered how the interaction with the SAU will fit into the existing budget process, this being a new relationship. Tom J. suggested that the SAU budget be reviewed at a joint meeting with all three entities present, rather than in three separate meetings. This will be discussed in more detail at the August meeting.

Mark L. recommended looking into refunding of the bonded indebtedness for the town and schools. Interest rates have dropped significantly and he feels it's something that should be revisited.

Mark L. discussed the logistics of cash flow from the town to the schools relative to the cyclical nature of tax revenues. At present, the town is holding a \$1 MM CD at Lake Sunapee Bank. It was decided to keep this intact and establish a \$4 MM line of credit (tax anticipation note) in the event that tax revenues did not cover expenditures. Doug Smith (interim finance director) was able to negotiate a modified payment schedule with the school districts and it is expected that the town will not need to tap into that line of credit.

Mark L. discussed the current status of the contract negotiations with regard to health insurance coverage. An agreement was arrived at between the union and the town, and coverage has since transitioned to the LGC health insurance plan. Chris H. expressed concern that since the result of the negotiations involved pay increases for union staff, it should have been voted on by the legislative body and not just unilaterally approved by the Board of Selectmen. During an earlier non-public session, the BudComm had expressed their unanimous disapproval of how the town intended to proceed as being not totally above-board. However, this decision was never communicated to the Board of Selectmen.

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Further discussions will take place regarding the cost impacts of future contract negotiations, and the BudComm will be asked for their input

Mark L. made a motion to enter non-public session. Mike H. seconded the motion. Meeting entered non-public at 9:20 pm.

Respectfully submitted,  
Barbara Kowalski, Tax Collector