

BUDGET COMMITTEE

Minutes of January 18, 2006

Meeting was held in the Community Room, Hollis Town Hall and was called to order by Chairman, Mike Harris at 7:35 PM.

Members present: Mike Harris, Chairman; Melinda Willis, Selectmen's Representative; Kathy Delacey, School Board Representative; Mort Goulder, Chris Hyde, Lorin Rydstrom; Deborah Adams, Secretary

Also present: Mark Johnson, Chairman Selectmen; Ray Lindsay, Vahrij Manoukian, Selectman; Paul Calabria, Finance Administrator; Cath Hallsworth, Director of Administration; Rick Towne, Fire Chief; Russell Ux, Police Chief; Arthur LeBlanc, Public Works Director

Presentation of Town Budget – Mark Johnson

Mark states that the BudCom asked the Selectmen to hold the budget to a 4% increase. The current figures are \$132,000 below this 4% cap, including the warrant articles. The total increase, including debt service is 16%. Negotiated salaries are included.

Warrant Articles

1. \$3,000,000 for land purchases. The Selectmen support this figure. This item has been reduced over last year's amount. They are hoping to have BudCom support on this item, as it will be hard to pass without this support. If the BudCom would like more information on this, they can arrange to have the Chairman of the Land Protection Study Committee attend the public hearing. Mike indicates that this would be a good idea.
 2. Purchase of property under negotiation. This depends on the outcome of Article #1. The Selectmen cannot discuss the details of this publicly at this time. It will be the lowest cost property obtained to-date. If Article #1 does not pass, the amount is less than \$50,000 and may be funded through other means. The Land Protection Study Committee wishes to keep this as a bond item, yet the Selectmen are a bit concerned doing it this way. Cath mentions that she recently spoke with Don Borrer at the DRA who indicated that even if this article is approved to use bond money, the Selectmen have the discretion to make the decision how it is funded. This is a permissive item. Mike agrees with this. He feels that if the Selectmen have a fixed number for this, it should be contained within the warrant article. Cath states that she should have this in time for the public hearing.
 3. Library increases. The Trustees are requesting \$38,000 for increased hours, additional books and more shelving. This item is significantly above the 4%, therefore the Selectmen felt it to be appropriate to have as a warrant article. Melinda points out that since they are asking to increase the house they are open, the Selectmen felt this should be a public vote. Mark states that he will have someone available to speak to this at the public hearing.
 4. Collective bargaining. They are still in negotiations. They have come to a verbal agreement, yet this has not been ratified at this time. Melinda states that they will be working out some wording details at the next meeting.
- 5-6 Police Department full time police officers. The Police Chief has requested 2 new officers. The Selectmen have decided to split this into 2 separate warrant articles. Russell explains that the rationale for having 2 warrant articles is that these are two entirely different positions, yet both are full time officers to be employed by the Hollis Police Department. The idea of having a school resource officer came up last year. While he agrees that this is a great program, he also feels that the needs of having another patrol officer on staff is the greater need. By separating these into 2 separate warrant articles it give the public the idea that there is a choice – one or the other. Both positions are needed. The town doesn't have the personnel required to serve this community safely anymore. Having only 1 officer on duty at a time is not sufficient to handle this town. The Police Department relies heavily on mutual aide officers. They have recently had accidents involving officers that were unpreventable and unpredictable. They are in desperate need of more personnel. Before he can support the resource officer, there must be an additional officer in the patrol division. He still prefers to have this as 1 warrant article.
- Mike states that he is not clear why they need another patrol officer. Russell explains that this officer is desperately needed. The town has grown to a point that having 1 officer on duty at a time is not safe. The town has had a bank robbery, convenience store robbery, an attempted kidnapping. There is much transient traffic. There are many incidents that they never had before. Just today they were surprised with a severe wind storm, causing multiple calls that became stacked up with only 1 officer on duty. The request is not generated by numbers, it is generated by need. Chris asks how many shifts have only 1 officer on duty. Russell states that every day between 2:00 am and 9:00 am there is only 1 officer on duty. This is 7 days per week. Vacations, training, sick time, etc. all take officers out of the roster.

Mike asks how Hollis compares to other communities. Russell stresses that this is hard to compare. Each community has their own different needs. Other communities that Hollis is typically compared to, do not have the same circumstances as Hollis. Other

communities do not border Nashua, they do not border Massachusetts. Mort asks when the Department last increased in size. Russell states that an officer was added 2 years ago. They currently have 12 positions; 1 officer is out on disability and another position is vacant. The Department of Justice publishes their recommendations on the number of officers a town should have per region. They currently suggest 2.3 officers per 1000 people in the community, however these numbers are very subjective as each community is different.

Mort states that as the population grows, more officers are needed. He does not understand the need for 2 more. Rick Towne mentions that in the last several weeks they ambulance has had calls late at night with only 1 officer on duty. This become a safety problem when ambulance personnel is responding to a domestic violence situation. He stresses that much of what goes on in Hollis is not publicized, yet is a safety issue. On one occasion they needed an officer to ride in the ambulance to the hospital, yet the 1 officer on duty at the time was needed elsewhere in Hollis. They had to wait until assistance came. He stresses that this is not the first time that situations like this have come up. From the Fire Department perspective there have been many times when police assistance was not available because of the lack of personnel on duty at the time. Mike asks if the fire/ambulance personnel have been placed in harms way by this lack of officers. Rick responds that this has happened many times. Paul states that Amherst currently has 12 patrol officers, while Hollis has only 7.

Kathy explains that she first met with Russell to discuss the needs of having a school resource officer. At that time he explained to her his needs for having another patrol officer. She fully understands that the needs of 8,000 people out way the needs of the schools. Domestic violence is on the rise and she feels this is very important to protect. She feels that the resource officer is highly supported by the community, yet she does not want this support to be the cause of not approving the patrol officer that is the greater need. She stresses that this should be 1 warrant article. She points out that if the town needed 2 new cruisers, they would have that as 1 warrant article.

Mark states that using the 2.3 officers per 1000 people that is recommended by the Department of Justice, this would yield 17 positions for Hollis. Mike stresses that Hollis is not the City of Bridgport. Arthur points out that they have seen an increase in vandalism of street signs over the last few years. While having another officer will not eliminate this problem, it may help. He mentions that replacing these signs has become rather expensive. Russell adds that the community is getting upset about the speeds that are driven throughout town. They need to patrol the roads. Currently the department is being reactive to these issues, rather than being proactive. There is not enough adequate patrolling being done. The Department is reporting numerous motor vehicle stops, yet this is not enough. He points out that there is also much work that has been done behind the scenes for the resource officer. Hollis will support 40% of this position, with 54% paid by the Coop Schools and 6% paid by the Hollis School.

Chris asks if they would have full coverage if the 1 position that is vacant were to be filled. Russell explains that the shift coverage mentioned is utilizing the full complement of people. The vacant shifts are being covered by overtime. Chris asks how the overtime budget would be impacted if the new officers are approved and hired. Russell states that he would like to meet or be under what is being budgeted for overtime. Historically they have been way over budget on this. His goal is to stay within budget. Chris points out that this would create a \$24,000 delta. Lorin asks if figures for these warrant articles are included in the budget. Paul explains that they are shown on the last page of the budget. Once the items are approved at town meeting, the figures will be moved to the appropriate department line item. Melinda points out that the figures also include all benefits, not just salaries.

Chris mentions that the police also attend basketball games. He questions how this will affect the time spent in the schools. Russell explains that the resource officer will arrive prior to school start times and will stay until after school is finished. This officer will monitor the parking lot at the beginning and ending of the day. Any officers attending games are on a private detail.

7. Fire Department, 1 new firefighter/emt to be hired October 2006. This is a partial year. Rick explains that his reasons for this position are the same as he has been saying for the past several years. More calls and less in-town part time help available. Lorin asks when he last added a full time position to the department. Rick states that last year he added another employee. He currently has 7 full time firefighters. Mort asks if there will be any offsetting salary with less part time staff. Rick points out that they have had 3 times more calls than they were experiencing just a few years ago. There is more need in the town. He is not trying to accomplish all full time shifts. If there are willing part time personnel, he will use them as well. He needs enough coverage to man the vehicles.

Mort thought the ambulance was paying for itself. Rick states that it does pay for itself, except for salaries. He is not collecting enough to cover this as well. It would be very difficult to split out the salary details for the firefighters that are also emt's. The full time staff handles both duties. The ambulance account does fund all costs to run the ambulance service, as well as to replace the ambulance as needed. The account does cover the cost of 1 part time employee that is strictly for the ambulance. Hopefully in time this will begin to cover salaries. This fund was set up to collect only what the insurance companies will allow for ambulance services. They do not collect from those with no insurance. Lorin asks how long they have been charging for ambulance calls. Paul states that this was formed in 1999. This past year they used \$25,000 for expendable supplies. There is still \$225,000 in the fund for a future ambulance.

8. New dump truck for DPW, \$120,000. This will be to replace a 1993 dump that has become too expense to maintain. Arthur states that this truck should have been traded in years ago, yet this was a lower priority than other warrant articles and kept getting put off.

He originally asked the Selectmen for 2 trucks, yet they chose to drop this to only 1. He may not replace the 1993 dump, it may be the 1996 that will need to be replaced first.

9. Engineering study – South Merrimack Road culvert. Arthur explains that this culvert was replaced 24 years ago. Recently the area flooded, the culvert and surrounding area was repaired. The structure that cannot be seen under the road is failing. He would like to have an engineering study performed, a pre-designed plan for the culvert and wetlands impact would also be created. A bid spec would be created, so that in 2007 or 2008 they can get firm pricing on the work. Mike asks if this project will be similar to one that was done by the State on Broad Street a few years ago. Arthur explains that the scope of work is much different. This culvert will have to be completely removed and replaced with new. Something that will last 100 years vs. 25 years. This will be a concrete culvert. Part of the process will involve obtaining wetlands permits from the State.

10. Engineering study – Transfer Station retaining wall. Arthur explains that the town took over the transfer station 18 years ago. It was a big mess at that time. To create the wall they used old well tiles and reinforced it the best they could. This has worked for 15 years, yet now the walls are beginning to tip out. He would like to have an engineer study the situation. A design using wide footings with rebar to tie the wall back into the parking lot will be created. This will also cover the cost of getting a pre-designed plan.

11. Engineering study – Farley Building. This building has been used by the Coop School District for many years as classroom space. Now that the Middle School addition has been completed, they plan to discontinue use of this space and it will convert back to the town. There will be a public hearing this coming Saturday morning to discuss the issue with the Coop and Hollis School Boards, as well as the Fire Chief. This is a reasonable estimate to study what the building needs and determine what the town is getting into. Mike asks if this will also cover maintenance for the building until the town decides what to do with it. Melinda states that they have not received any figures on what this building has been costing the Coop to maintain. They have a ballpark idea of \$10,000 per year and will only need to maintain the building for ½ a year. The remainder of the funds will cover the engineering study. The Selectmen do have some ideas for uses of the building, yet the study will help to determine this. Chris asks if the Hollis School District has agreed to give the building to the town. Mark states that the Hollis School District has agreed to take the building from the Coop, but the Selectmen have not heard definitely if they will agree to give it over to the town. He thinks they could possibly use it for the Town Clerk, the historical society, seniors or meeting room space. Melinda mentions that there are 4 classrooms upstairs. If they install a handicap lift, similar to what is being placed at the Fire Department, these rooms could be used as well.

12. Lawrence Barn – Septic expenses. Mike asks if this will be the first of many continued expenses for this barn. Mark explains that there is still a significant amount of money that needs to be raised to complete the barn. The Heritage Commission is only asking for this \$5,000 to ensure that this work is completed in time to obtain the Certificate of Occupancy. Chris asks if money has been included in the budget for maintenance of the barn. Mark indicates that this is correct. Vahrij mentions that support of this expenditure was not a unanimous vote of the Selectmen. Two Selectmen actually voted against this. Last year the Heritage Commission said they would not ask for any more taxpayer money for this project, yet this year they are begging for more. He feels these funds could be found elsewhere. Kathy asks who would use the building and who would handle the scheduling. Mark states that the Selectmen have been given a draft usage policy, which indicates that the building is intended for nonprofit community based organizations, yet is also available for public use that is suitable for this building. The Selectmen will assign someone to handle the scheduling. Kathy mentions that the person at the school that schedules sporting events has a full time job doing this. It is hard to keep track of these things. She is concerned that this will become an ongoing expense that will result in hiring of a full time person. Cath points out that this will also be an issue with scheduling the Farley Building. Melinda states that it would be best to have 1 person handling the scheduling of all town buildings, that way people will not have to speak to several people while looking for meeting space.

13. Employee Health Insurance. This is for the self funded insurance plan. After the first year, the town has retained \$5,500 for this fund. They were able to keep costs down for this next year. They did not have the greatest first year, but they also did not lose. Mort asks what was learned through the process. Paul explains that they had 4 cap hits of \$25,000 or more this year, as well as the normal expenses for routine medical. Three of these cap hits have been deemed non-recurring. The cap has been raised to \$30,000 for this year to keep the cost of reinsurance down. Mort asks if anything is happening with the schools with this kind of insurance. Paul states that he has met with the Superintendent and they are looking into the possibility. Once the town reaches 50 employees, there will be more reinsurers interested, which may help with the costs.

Paul explains that if the town had stayed with Health Trust in 2005 for their insurance, the costs would have been \$27,000 more, plus the \$5,500 that was retained. This gives a \$32,500 savings for 2005. For 2006 the town is initially saving \$4,500 by not being with Health Trust, with the potential for more monies being retained at year-end due to the fact we only have one Cap hit on the horizon.

14. Major Fire Equipment Capital Reserve. The Selectmen like to save for these large purchases in advance.

15. Major Public Improvements Capital Reserve. This is for culverts or other major improvements. Arthur explains that they already have a culvert designed on Wright Road. The developer of a major subdivision in this area will cover 30%-40% of the cost. In this

case they will be able to reserve the old stone foundation. This capital reserve account will cover both the Wright Road and the South Merrimack Road culverts. He is planning to replace the South Merrimack Road culvert in 2007, unless the engineering study indicates that it can wait another year to 2008. Melinda asks if the developer helped with the engineering costs for the Wright Road culvert. Arthur indicates that they have not at this time, yet this is something the town could attempt to recover.

16. Compensated Absences Payable Trust Fund. This is an unfunded liability for the town. Building up this account will prevent the town from coming up short if there are multiple retirements within one year. These monies are placed in a trust fund, continually accruing. Presently there is \$90,000 in unfunded liability. Paul adds that they currently have \$19,000 in this fund.

17. Ambulance Fee Fund Appropriation. This is an in and out account.

18. Old Home Day Fund Appropriation. Another in and out account.

19. Police Private Details Fund Appropriation. In and out.

20. Expend interest accrued on Safety Complexes Bond for the purpose of finishing the project – approximately \$60,000. This wording was not written into the original warrant article. The project is proceeding on time. Melinda explains that the timing of when the estimates were received vs. timing of town meeting approval vs. timing of when contracts were actually signed resulted in increased prices. They have cut some items (\$100,000) to help reduce costs. This warrant article will allow the project to be completed. Once the project started it was found that the original framing done on the fire station years ago was inadequate, therefore additional framing and lumber costs were required to correct this. Chris asks if this was factored into the 4% increase. Paul states that it was not.

21. Designation of Gelazauskas Land, Map 38/Lot 1 as Town Forest. This is a non cost item.

22. Operating Budget.

Lorin comments that he is confused with the 4%, as the \$3,000,000 for land is not included in this or other capital outlay items. Paul refers the BudCom to the last page of the budget, which shows all warrant articles. The \$3,000,000 is for a bond, therefore it should not be included. Chris asks if there is any estimate on what impact the proposed budget will have on the tax rate. Paul estimates \$.95 increase to the tax rate. This depends on valuation and does not factor in any funding for the School Resource Officer. He stresses that most of this increase is due to debt service. Chris comments that after next year, the debt service should start declining. Mike mentions that this is true, unless the town continues to add to this burden.

Mort asks what increase in valuation is expected this year. Paul states that he has been budgeting a 3% increase, yet last year this came in lower. Mort feels this will be low again this year. Paul states that they will have this figure in August.

Mike states that he received an email from Jim Belanger with some concerns. He indicated that it would not be popular to have another \$3,000,000 in land bonding while not supporting the School Resource Officer. He also suggested having the police officer share radios as a means to reduce the budget. Mark points out that Jim Belanger has not supported the land bonding for years. This is merely one person's opinion. The resource officer is also just his opinion. The Police Chief has reviewed the suggestion to share radios. There are times when multiple officers are on duty at the same time; presidential visits, apple fest, etc. At these times it is important to have all officers with their own radios. He feels it is not good to have more officers than radios.

Lorin points out that the overall budget is really up by 17%. The debt service is up 9.9%. He questions how this relates to the 4% guideline. Paul explains that the target number was calculated by removing debt service and new employees. The 4% was calculated on this base creating a new base, then the debt service and new employees were added back in.

Vahrij comments that Gerry Gartner, Land Protection Study Committee Chairman has presented their request to the Selectmen. He indicated that by preserving land from development it will save 120 new homes, which in turn will save on the population in the schools. He feels that they should look at the debt service as saving millions of dollars on school costs. Lorin states that the houses being constructed these days will pay for themselves. This is not a valid argument anymore. Melinda states that they have calculated that a \$650,000 home will pay for 1 student in the school. Mike agrees with the basic statement, yet disagrees that this has saved many homes. Melinda adds that with population growth there is also increased need for more police, fire, dpw and other services.

Mort states that at the Coop meeting, the BudCom set percentages and did not care how this was spent. This is to include all raises and new personnel. He thinks this should be done here. The 4% has been calculated wrong. Mike explains that they have discluded any previously approved debt service. Paul stresses that they cannot be penalized for what the town has approved for land purchases. Mort argues that the Coop allows for a 4% increase, plus a population increase of 3%. Mike points out that the school never meets the target. Mort feels that the town is the problem.

Lorin asks if the 4% has been calculated on the bonded amounts from last year. Melinda indicates that this was not done. All bonded items have been removed. Included in the 4% is the negotiated settlement, raises for existing personnel and increases to benefits. Paul mentions that there is \$130,000 in benefits increases. Melinda stresses that the Selectmen have proposed \$140,000 less than the 4%. Many items were cut from the

budget. The budget is very lean. The Selectmen recently reconfigured personnel in the Communications Department and removed the Director position. This is a major savings. Two dump trucks were requested, yet the Selectmen reduced this to only 1.

Mike points out that the BudCom gave a target that was a \$260,000 increase. The Selectmen came in \$140,000 less than this figure. He questions how the total budget can be so much more than a 4% increase if they are proposing less than the \$260,000. Chris points out that previous year's warrant articles that are a 1 time expense should be removed from the equation before calculating the 4% increase. Melinda points out that last year they subtracted out the veterans tax credit, yet this actually comes in as a revenue loss.

Chris states that the idea of hiring personnel in November and not including the full increase in the 4% sounds odd to him. Melinda is also uncomfortable with doing this. She points out that doing this it will come back to bite the Board next year. Mike agrees that they should calculate the full years cost, not just for 1 month. Lorin agrees.

Mort states that he only supports 1 new police officer. Lorin agrees with this. He supports 1 new officer and does not support the \$3,000,000 land bond. Mort feels the ambulance fund should pay for itself. Mike stresses that the town agreed that they did not want to charge those with no insurance. Mort feels that if enough is changed from those with insurance, it will pay for those without. This fund should also cover those firefighters that also cover ambulance. Melinda points out that the fund does cover the cost of 1 part time ambulance employee. Rick comments that in the future he hopes that this fund will cover all the costs. Melinda reiterates that the fund does cover all expendable costs and a new ambulance.

Mike asks each BudCom member to give their opinions on the various warrant articles.

Lorin does not support the 2nd police officer. He would like to leave it to the discretion of the chief how the 1 officer is used; as a patrol officer or school resource officer. He does not support the Lawrence Barn.

Mort does not support the Lawrence Barn. He would like to see capital reserve at only \$50,000 and he only supports 1 police officer.

Kathy strongly supports both police officers. She does not support the Lawrence Barn.

Chris is concerned with the land purchase bond this year. He has seen breakneck speed and pile-on tendency of the town's indebtedness. He thinks they need to pace this out a bit. Possibly take a year hiatus from any land purchases. He supports the police officers, yet is still deciding on 1 or 2. He does not support the Lawrence Barn.

Melinda strongly supports the concept of land protection, yet is on the fence regarding supporting it this year. She is of the mind to put it on the warrant and let the citizens decide whether to support it or not. She would hate to lose the opportunity to purchase a special piece of land that may come forward. In theory she agrees with having a capital reserve for large project, yet would like to see these reduced. The engineering costs for the culvert and retaining wall seem high and excessive. Arthur states that he did get estimates for the culverts. The costs will also cover test holes, wetland studies and permits, as well as the design. Melinda comments that the retaining walls are estimated to cost \$80,000, therefore she believes \$15,000 for a study is high. She points out that she is the only Selectmen with this opinion. Arthur explains that the cost of concrete has gone up considerably. He believes it will ultimately cost the town \$120,000-\$150,000 by the time this gets done.

Mike states that he would like to have the dollar amount shown for warrant article #2, this way it can pass by itself without approval of article #1. He would like to have the library increases included within the operating budget, not as a warrant article. He supports 1 police officer at the discretion of the chief. He does not support the Lawrence Barn.

Mark is concerned that taxpayers may feel that the Selectmen are trying to slip increased hours at the library without their input. Mike stresses that the BudCom would like to see this in the operating budget. Mark asks if the Selectmen should also include the \$5,000 for the Lawrence Barn in the operating budget. Mike stresses that they do not support this expenditure at all, whether as a warrant article or in the operating budget. The BudCom can see that the Lawrence Barn is going to continually cost more and more money to the taxpayers. Paul reports that the Heritage Commission recently raised \$48,000 in donations.

Mort feels that the increase should be on the actual figures for 2005, not what was budgeted in 2005. Paul points out that the town spent 98.9% of the budget in 2005. They will be turning back \$118,000 this year.

Mark states that a comment was made by a BudCom member that they give the schools a target that is always exceeded anyway. He stresses that the town always tries to be fiscally conservative, while the schools like to spend money. Last year the town approved more than what the Selectmen supported. The Lawrence Barn petition was approved without Selectmen support. The voters have chosen these expenses. He mentions that originally the Library Trustees requested \$5,000 more, yet the Selectmen asked them to reduce it. He asks if the BudCom would support this additional \$5,000. All BudCom members indicate that they support the reduced amount.

Chris comments that Hollis has a very economically diverse town. There are many seniors in town that are land rich but do not have the income for taxes. He feels the town has done a good job staying under their target. His non-support of some of these items is tempered by his concern for these citizens in town.

Ray comments that he thinks the town should support both police officers as they are both needed. Mike states that he will listen to public

comments during the public hearing. Vahrj points out that if the town votes to hire both officers at this time, there is an advantage of having the schools paying for a portion of 1 officer. If this position is not approved this year, there may be no school financial support in following years. Mike stresses that the BudCom has not taken a position on the School Resource Officer, that will be up to the chief to decide.

Russell states that he respects the BudCom's opinion on this issue. He points out that they have been discussing this for several years. He is involved in State mandated meetings to discuss safety issues within town. This committee is RSA mandated for each town to oversee safety. This committee meets a minimum 4 times per year. It is comprised of department heads and 1 employee from each department. Cath states that the lack of patrol officers has been a topic of discussion at these meetings for the last few years. It has been mentioned several times that there is a safety issue with the lack of patrol officers as backup during the overnight shift. The State Labor Board could come into the Town and look at the minutes from those meetings and see that the committee has discussed this issue. The town could potentially be fined if this has not been followed through. Russell reiterates that the lack of officers and the safety issues this causes has been the main topic at these meetings. There is strong community support for the School Resource Officer. When he first discussed this with the Selectmen he requested 3 officers. He compromised to reduce this to 2 officers, 1 patrolman and 1 resource officer. Kathy points out that the resource officer will be available to work on patrol during the summer while the schools are not in session. This will help to cover vacations of other officers.

Lorin moves to adjourn. Seconded by Chris. Motion unanimously approved.

Next Meeting will be held January 19, 2006 at 7:30 PM in the Town Hall Community Room for the second review of the School Budget

Meeting adjourned at 9:43 PM.

Respectfully submitted,

Deborah Adams, Secretary