

BUDGET COMMITTEE

Minutes of February 8, 2005

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, Vice Chairman; Vahrij Manoukian, Selectmen's Representative; Scott Bartis, Mort Goulder, Chris Hyde; Deborah Adams, Secretary

Also present: Mark Johnson, Chairman Selectmen; Peter Band, Ray Lindsay, Richard Walker, Selectmen; Paul Calabria, Finance Administrator; Cath Hallsworth, Administrative Assistant; Richard Darling, Police Chief; Michael Pischetola, Communications Director; Rick Towne, Fire Chief; Arthur LeBlanc, Director DPW; Jim Cram, Bob Leadbetter, Heritage Commission members; Gerry Gartner, Chairman Land Protection Study Committee; Jim Squires

Public Hearing Town Budget

Melinda presents a slide presentation showing the anticipated tax impact for a \$100,000 and \$350,000 home for each warrant article to be presented this evening. Mark states that the tax rate is projected to increase. He is prepared to explain and justify each increase and to show how this is for the town's best interest.

Presentation of Warrant Articles

1. Official Reports – Non-money article

2. Bond for Safety Complexes – Fire, Police and DPW – The total projection for this project is \$3,200,000. Approximately \$1,000,000 per department. The Fire Department will be hiring additional firefighters. There has been a shift from on-call personnel to a more professional full-time staff. The main driver of the renovations is to accommodate the over-night staffing requirements. The Police Station was constructed in 1986 as a 20 year solution to the police needs of the town. There was foresight at the time to allow for future expansion with space left unfinished. The 2nd floor will be renovated for office space, a 4 bay garage will be added to expand the sally port. The Communications Center will be relocated and security issues will be addressed. Construction on all of these buildings will have to be done while the building remains occupied. The DPW project is driven by environmental issues. There are problems with the existing salt storage and its non-compliance with stormwater mandates from the EPA. There is an adjacent parcel open with 10 acres available for the town to purchase for \$300,000. A new salt storage shed will be constructed on the existing DPW land and a sand storage area erected on the new land.

Mark comments that the cost is estimated to be approximately \$1,000,000 for each facility, with some contingency funds included. The project has not been put out for bids yet. Mort questions how much of this cost is for salt. Mark states that \$175,000 will be for the salt shed. Arthur states that this will be closer to \$300,000. Mort stresses that if they were to eliminate the salt shed from the plans, the town could save a lot of money. Mark states that the sense of the town is that the citizens want the roads to be clear and passable for all people, especially for emergency vehicles and school buses. Mort points out that Milford and Brookline do not use salt. Mark points out that last year Brookline also had 2 of their police cruisers slide off the road because of the snow. Mike asks if the total cost will increase because of the increase for the salt shed. Arthur does not believe this will be the case.

Chris questions the confidence level of the presented figures. He refers to the recent cost overruns associated with the recreation fields. Arthur states that he has high confidence in the estimated costs. Mark points out that they have utilized the services of David Udelsman, who is a very good architect, with much experience in municipal projects. He is very confident. Mike asks if this will hold the town until build-out. Mark indicates that this will. Arthur points out that this will also include stormwater improvements at the police and fire station.

Comments from the Floor

Don Ryder, 79 North Pepperell Road – He questions whether the land near the DPW has been surveyed and if the cost has been included in the overall total. Cath explains that Reggie Ouellette has performed a survey of the land. This is 10.24 acres being purchased from Austin Parkhurst. \$300,000 of the \$1,100,000 is to cover the land purchase. Melinda comments that the town has the ability to purchase more than what is needed at that same cost. They originally proposed purchasing only 4 acres.

Tom Jambard, 40 Twiss Lane – He questions if there is any plan for the sand storage to be under cover. Arthur states that they are not planning to cover the sand at this time. The sand storage will be moved onto the new land that will be purchased. There will be a barricade around the sand, but it will not be covered. Part of the negotiation for the land was that the town would not store salt on the new land. Tom questions why the reconstruction of the Lawrence Barn

is not included as part of this bonding project for facilities. If this were included, the cost could be spread out over 20-30 years. Mark indicates that this was not discussed by the Selectmen, however it may be a good idea. Mike agrees that this has become a large municipal facility project and including the Lawrence Barn under this bond may be a good idea. Tom states that he would like to see the Lawrence Barn costs spread out over a longer period of time. He does not offer his support of the project, yet comments that this may be a better way to fund it. Mike comments that this idea does merit serious consideration. Tom stresses that many people in town are very concerned about the tax impact next year.

Mort points out that the Warrant Article states that this will be a 15 year bond. He recalls the BudCom recommending this to be bonded for 30 years. Paul agrees that this was the recommendation. He has been speaking with people about the bonds and will be getting more information on the total impact. Mark states that the Selectmen have discussed this. They will respect the BudCom's recommendations, yet they need to keep the option open to go with a lower length. Mort does not like this. He does not like 15 years. Paul explains that if the town goes with the 30 year bonding length, this will affect the tax rating, which could bump the rate to the 15 year rate. Scott feels that discussing different bonding rates at the town meeting will become too confusing. Melinda asks if they plan to discuss the bonding length with the BudCom if it will be anything other than a 30 year bond. Mark indicates that they will.

3. Bond for Land Acquisition – This has been reduced significantly from last year in order to allow for the municipal facilities bond under Article 2. The Land Protection Study Committee requested \$3,500,000, yet the Selectmen are recommending \$2,500,000. Gerry explains that his committee had differing opinions on this amount. The recommended amount of \$3,500,000 was a compromise. He stresses that this amount is significantly less than it has been for the past 2 years. They do not want to spend this full amount, yet this would give them the option of negotiating for land. He urges the BudCom to again increase the amount that the Selectmen are presenting, as they did last year. Mort states that since this is merely voting on what the town will be allowed to spend, he would like to see this increased to \$5,000,000. He does not see this article being a threat to the facilities bond. This only gives the town the option to look at land.

Comments from the Floor

Don Ryder, 79 North Pepperell Road – As a Selectmen last year, he personally fought to keep this at \$2,500,000, yet the BudCom supported more. He feels that if the town authorizes this amount, the committee will find a way to spend all of it.

Tom Jambard, 40 Twiss Lane – He points out that the town has 2 committees that purchase land. There is the Land Protection Study Committee whose purchases are bonded over several years. There is also the Conservation Commission who receives money from the current use penalties. He suggests using all of the current use tax towards the bond payments, which will help to reduce taxes. Paul states that there will be \$520,000 in bond payments next year and \$219,000 went to the Conservation Commission last year from current use penalties. Tom stresses that the goals of the 2 committees are very similar and the properties being looked at overlap. He would like to see this changed to have the full amount of current use penalties applied to the bond payments. Mike comments that this is a very interesting concept. He recalls that when this program was initiated for the Conservation Commission, the Land Protection Study Committee had not been formed. The town had to save money over several years, then purchase the land outright. He believes there would have to be a warrant article in order to rescind this. Emily Cavalier, reporter with the Nashua Telegraph comments that Brookline is doing a similar thing this year. They had been giving 100% of the current use tax to their Conservation Commission and will not use this money to defray bonded purchases.

Mort comments that in the last 2 years, homes have increased in value by 20%. A \$200,000 home is now worth \$240,000. The recent purchase of land accounts for much of this increase. He stresses that every poor person in Hollis has been made wealthy by these land purchases. Tom stresses that he does not care how much his home has increased and he is not interested in getting a 2nd mortgage or selling his home to pay for property taxes. He has a problem with this argument. Dick agrees with Tom. He stresses that many residents would like to stay in town, yet do not want a loan to pay their taxes and should not be forced to sell. He thinks they should discuss this idea with the Conservation Commission. This is a good idea to pursue.

4. Authorization to Acquire Map 38/Lot 1 of Anna Gelazaukas with Article 3 Bond Proceeds – This is contingent upon Article 3. If Article 3 fails, this will be withdrawn. This is a \$1,400,000 article to purchase 116 acres of land on Nartoff Road using the bond proceeds. The timing of this purchase is such that we can do this at the same time, rather than having a special town meeting in the Fall. They have been talking with the owner of this property for years. It is located east of the Lavoie farm. If developed, there could be many homes. There is 2,400' of road frontage. The land also has frontage on Wheeler Road. The lot has recently been forested. It is in good shape. The town cemetery is across the road on Nartoff Road. This acquisition will also preserve an openness upon entering Hollis from the east. It is very scenic with potential for trails. The soils are not very good.

Comments from the Floor

Bob Winer, 89 Pepperell Road – If this is approved, there will only be \$1,200,000 left of the bonding authority to use for the rest of the year.

5. Property Tax Equity Committee Appropriation – This is to appoint a study committee to assess the impact the recent bond purchase and increased budgets are having upon taxpayers that are on a fixed income. The \$5,000 appropriation is to hire a consultant to assist the committee. Jim Squires recommended this to the Selectmen, who have supported the idea. Jim explains that there has always been a tradition that major rules, which is the way it should be. There is also an obligation for the government to look after those not in the majority if the decision made creates an adverse effect. He is not discussing the merits of purchasing land, but the consequence of this bonded indebtedness that will have a major impact on some taxpayers. He mentions that just today, Governor Lynch announced a plan for school funding. This plan utilizes a level of median income and the assessed value of property. Greenville has low median income and also low property value. This plan is in their best interest. Hollis on the other hand, has the highest median income in New Hampshire. The median income is not the average income. If all taxpayers were lined up in order of income and divided in half, the income level at this half-way point is the median income, it is not the average. The median income for Hollis is \$104,000. Hollis also has a very high valuation. Using this mechanism will squeeze the town and will result in a loss of money for public education.

Jim stresses that there is also the impending deficit for funding retirees. Town will have to fund these persons. Taxes are going up and revenue is coming down. People above the median are self-sufficient and those below will have a problem. He has no solution, yet there is a problem. If a person is forced to choose between property taxes and food or medicine, this is a big problem. The town needs to do some fact finding. See what other communities are doing. How do they help? What criteria should be used to measure the need? He stresses that this is very complex. Some people cannot pay more than 5% of their usable income for taxes. There comes a point where taxes become punitive. He suggested creating this committee to study the situation for the next year. Determine the extent of the problem and ways to address it. Develop solutions. The committee should develop a report to present to the community next year.

Jim explains that the committee should determine a common threshold. The federal poverty level used for the Medicaid program is a widely acknowledged level. This says that in New Hampshire a single person with an income of \$9,310 or less is considered "poor". He stresses that not many people can exist on this. The NH Healthy Kids program uses 175% of this level as a qualifier. The committee needs to determine the criteria. There are also many factors in determining the definition of income; net, gross, adjusted gross. The committee will need someone knowledgeable with the tax code to help with this. The \$5,000 being proposed will cover the cost of a consultant.

Mike asks if Jim has a person in mind for this committee. Jim states that the Selectmen will be asking people to volunteer to participate with this. Melinda is concerned about the wording of the article, "property tax on long-term citizens of Hollis who live on a low fixed income". She questions what this really means and whether this wording should really be included. Jim states that the wording is up to the Selectmen. He is merely presenting the concept. He is concerned about people with a burden. Melinda questions why this would be limited to only those persons on a fixed income. She points out that there could be situations of people with low paying jobs or someone becoming disabled. She feels this is an excellent idea, yet the wording should be changed to be more generic. Mike agrees. He does not want to tie the hands of the committee and limit the study to any one group. Scott questions if any consideration has been given to asking the BudCom to assist with this group. That seems logical to him. Ray states that they need to have experts. Scott stresses that they should not have a committee comprised of all experts.

Comments from the Floor

Ray Valle, 85 Rideout Road – The wording states that the committee will give their report to the public at the March 2006 town meeting. He questions why they should wait until March if they have a report ready before this time. The timing seems awkward to him. Mark explains that they wanted to give the committee one year to do their work. Ray states that this is poorly written.

Melinda asks if there is any reason to have this as a warrant article. The selectmen could merely raise the budget by \$5,000. Mike indicates that he prefers to have this as a warrant article because of the nature of the topic. This warrants individual debate. Melinda agrees, yet is concerned that the committee may be bound by the language of the article. Dick stresses that he is very concerned about this issue. He is glad that Jim brought this to the attention of the Selectmen.

6. Establishment of the Employee Health Insurance Expendable Trust Fund – This is to address the rising cost of health insurance for employees. They have extensively explored this self-insurance program. This warrant article takes the money that in the past was part of the general budget and expended to an outside source for insurance and places it in an expendable trust fund to pay for health care expenses. If this article fails, they will not have a way to fund the employee health insurance, therefore the operating budget will have to be increased to cover these expenses. Mike stresses that this is a contractual obligation to pay for health insurance.

Mort questions what the town currently pays for health insurance. Paul states that it would cost \$467,000 for this year staying with the Health Trust Insurance. They are budgeting \$450,000. Melinda asks if a warrant article will have to be done each year for this. Paul indicates that they will since it is an expendable trust, which is similar to capital reserves. They are placing money into a trust.

Comments from the Floor

Jim Squires, 58 Pepperell Road – It would be wise to still include this money in the operating budget, then if the articles passes, the funds can be removed. If the meeting gets too late in the evening, there may be some difficulty increasing the budget at the last minute. He feels it will be easier to remove than to add. Mike agrees. Mark states that if this were included in the budget, they would have an inflated warrant. He does not wish to deceive the public. This is money that will be spent anyways, and they will be saving money. He does not see any reason for the public to oppose. Melinda points out that if this were also included in the operating budget it will effect the 10% calculation. Mike agrees that this would be inappropriate to inflate the bottom line.

Miriam Winer, 89 Pepperell Road – She questions what will happen if this does not pass. Would the town continue with the self-funded insurance or go back to an insurance company. Paul states they would still self-fund. Miriam asks if the decision to self-fund has to be approved at town meeting. Paul explains that this decision has already been made. Miriam asks if the money would come out of contingency if the warrant article is not approved and the operating budget is not increased accordingly.

Cath explains that the main purpose of this article is to establish an expendable trust fund. This will allow the town to use the unexpended funds to offset future premiums or to offer additional services. If the article fails, they will not have the ability to retain the surplus and the money will have to go back to the town. Mike asks about catastrophic illnesses. Paul explains that they will have a re-insurance policy for any catastrophic illnesses in excess of \$25,000. This is included in the \$450,000.

Bob Winer, 89 Pepperell Road – He asks if this will be added to the bottom line if the article passes. Mike explains that all approved warrant articles are added up at the end of the night. This insurance will cost the town \$450,000 whether it is placed in a trust fund or included in the regular budget. The difference is how the surplus will be handled. He stresses that this will need to be clarified for the public at the meeting.

7. One New Position in Department of Public Works – This person will be hired in April. This is necessary to meet the increased demands. Arthur explains that this person will divide their time; 50% on highways, 25% at the transfer station/stump dump and 25% for town buildings. Currently they hire part time help to fill in or pay overtime to employees filling in to cover vacations. Melinda asks if this will then decrease the overtime budget. Arthur states that this would depend on the weather. If there is an extended storm, the extra person will not lessen the length of the storm, but will help to shorten the routes for plowing. This person will also assist in the summer by covering other employees that are out on vacation or sick time. When working on the roads, there must be 2 flag people. This leaves only 3 people working. Having the additional person will allow them to be more expedient with the work. He points out that when he started working in Hollis 20 years ago, there were 13 employees. This new position will give him 7.

Scott comments that it appears that there has been an increase to the overtime budget for this year. Arthur explains that they have already expended \$30,000 in overtime due to recent storms. He needed to increase this line item to cover the remaining winter months. Chris asks if the overtime budget would increase if this person were not hired. Arthur states that it would not increase significantly. This person will allow the drivers to get a bit more rest during storms. There is a safety factor with drivers not getting enough rest during these extended storms. Chris asks about the summer work. Arthur explains that they are not allowed to take any extended vacations during the winter, therefore most of their vacations are during the summer, which leaves many gaps.

Dick comments that there are many miles of road that they handle. Arthur states that in the last few years they have added 12-13 additional miles of road to the town. Scott comments that this is a 20% increase. Mike agrees that this is significant.

8. One New Position of Firefighter – This is for only a partial year with the person being hired in November. The full amount for 2006 will be \$65,000. This is part of the planned program to gradually add professional staff to the department, as there are less volunteers available.

Comments from the Floor

Tom Jambard, 40 Twiss Lane – He questions the difference in salaries for the DPW and firefighter positions. Paul states that the firefighter is part of the union and must include benefits.

9. Position of Permanent Part-Time Police Employee – They currently have a temporary, part time employee and would like to make this permanent. He was hired to assist the police on a trial basis, which has proven to work well. He handles errands to allow the police to concentrate on police duties. They hired a retired police officer.

Comments from the Floor

Tom Jambard, 40 Twiss Lane – He doesn't like the term "permanent". He suggests wording the article differently, perhaps using the word "regular", as nobody is permanent. Mike agrees.

10. Public Works Loader Purchase – This article is for \$100,000 to replace obsolete equipment. Arthur states that the old equipment will be traded in.

Comments from the Floor

Tom Jambard, 40 Twiss Lane – He questions if this is from DPW or the dumps. Arthur indicates from DPW.

11. Public Works Heavy Duty Pick Up Truck – This is to replace an obsolete pick-up truck. The existing truck will be used at town hall for the maintenance department. Their vehicle will be junked. Melinda questions the number of miles this vehicle is driven per year. Arthur states 9,500 – 10,000 miles per year. Melinda asks how this compares to other vehicles. Arthur explains that this vehicle is used by the DPW Supervisor, who drives this home and back to work. He is on call 24/7. Scott questions why they are listing a specific make of vehicle. Paul points out that the article does indicate "or equivalent". Arthur explains that Ford has the state bid for vehicles.

Comments from the Floor

Tom Jambard, 40 Twiss Lane – He questions if this vehicle will be equipped with a snow plow. Arthur states that it will not. He would then need to hire more help to drive this vehicle for storms. Tom states that it will only cost another \$4,000 for a plow and it will add to the department. Ray points out that the vehicle would also require more maintenance if used for plowing.

12. Sidewalk Construction around the "Block" – This is to rebuild the sidewalk from the Ruth Wheeler house, around the corner to the Library. This is an existing sidewalk that is in very poor condition and very deteriorated. Next to Little Nichols Field the sidewalk slopes into the wall. This has become a liability issue. Mort questions who cleans the sidewalk in the winter. Mark comments that this expense has not been included in this article. Arthur states that the town shovels in front of town hall and from the Library to Little Nichols Field. Mike questions why the town would have sidewalks if people cannot use them in the winter. Mark agrees. Arthur comments that he has always had the feeling that it would not be nice to snow blow this dirty snow onto people's front lawns, as it tends to kill the grass. If they were to haul the snow away it would become very costly. He is not sure how much it would cost; it would depend on the number of storms.

13. Basketball Court and Tennis Courts for New Field – The Selectmen intend to withdraw this article based on discussions with the Recreation Commission. This will be a future expense. With the other more important issues this year, it was felt that this could be postponed for a year. If the public wishes to have this, it will be put back in, yet at this time this article is being pulled.

14. Lawrence Barn Construction – This article is unanimously supported by the Selectmen. They feel that the town supports this concept and that it will be an important asset to the town. Jim Cram explains that last year at town meeting this project was estimated at \$200,000. As more people became involved and more ideas were raised for use of the building, the plans have evolved so that the entire building will be used. Air conditioning will be installed for 1/3 of the building. The original plans for the barn did not require a sprinkler system, however with changing fire codes and modifications to the plans, the building will now need a sprinkler system installed. He has secured 2 proposals for this work, which will cost an additional \$60,000. The Heritage Commission has maintained that they could raise 50% of the cost for the reconstruction and would not ask the town for more than \$200,000. With the additional cost for the sprinkler system, they would like to split this cost and are now asking to increase the warrant article to \$230,000.

Jim states that during the previous meeting figures were presented from a comparable building that was erected in Topsfield, MA. They were attempting to compare the Lawrence Barn with a similar barn. Based on these comparisons, they feel the operating costs will be approximately \$6,000 per year. The Heritage Commission is proposing to manage the building for the 1st year, through 2006. At that point they feel the barn will become self-sustaining and fully cover all operational costs. Mike questions if this will also cover volunteers to handle scheduling, maintenance and cleaning of the facility. Jim states that these functions would be handled for the 1st year. He explains that Kevin McDonnell, Hollis' Recreation Director is now a member of the Lawrence Barn Committee. With Kevin's help they will establish a fee schedule for non-profit groups up to the large functions. Mike again questions who will schedule the events and handle the cleaning afterwards. He questions what town staff will be needed for this. Jim indicates that they will not need any assistance from town staff at this time, yet perhaps as the need grows additional help will be required.

Chris asks if this will migrate into a Recreation Commission function. Jim states that at one time it was assumed that this would occur, however he is not sure at this time. The Recreation Commission is more for athletic functions and they anticipate many our groups will utilize the barn. Mike questions what would happen if the town needed the room they are meeting in now to be used for expanded office space and the Lawrence Barn were then needed for Boards and Committees. Jim states that in the future he does

anticipate someone at town hall handling the schedule for the Lawrence Barn events.

Mark comments that this building will require some level of town support. If the building is used, someone will have to schedule the events. They may need a full time Recreation Director in several years. This may become part of those duties. Right now they have many volunteers that can assist with these issues. Mike comments that it sounds like this will require staff; DPW will have to plow, mowing, scheduling of events, cleaning, etc. He would like to see an estimate of the true costs. Chris comments that he can see a great demand for this facility; boy scouts, meetings, community groups, etc. He sees a potential for conflict; town use vs. profit making activities. Jim agrees and stresses that the town will have priority.

Comments from the Floor

Unnamed Resident from Pine Hill Road – He suggests obtaining private funding for the entire project, which would not burden the taxpayers. He points out that this was done for the auditorium at the high school, which cost \$900,000. He feels they need to "pay as you go – or go without". Ray comments that this could take many years. Doing it with some town funds will allow the barn to be constructed this year. Mark states that he supports allowing the taxpayers to make the vote on this.

Arthur LeBlanc, 74 Ridge Road – Previous comments indicated that only 1/3 of the building would be air conditioned. He asks if the entire building will be air conditioned in the future. Jim indicates that the barn will be designed to incorporate this in the future. If the fund raising proves to be more than anticipated, this is a feature that can be added.

BudCom takes a short recess to allow the Board of Selectmen to meet to vote upon the \$30,000 increase. *BudCom recessed at 9:56 pm. BudCom resumes public meeting at 10:05 pm.*

Mark comments that the Selectmen have voted to support the increase to \$230,000.

15. Major Public Improvements Capital Reserve – This is a new capital reserve account that will help fund upcoming projects such as culvert repair/replacement. This item is in line with the BudCom recommendations for capital reserves. Arthur explains that the culvert on South Merrimack Road, near the Amherst town line is in need of replacement in 2007. Money will be set-aside in capital reserve in 2005 and 2006, then the remainder will be funded in 2007. There is also a culvert on Van Dyke Road that will be needing repair. He would like to get this capital reserve account started, rather than asking for all the funding in one year. This could also be used to help fund building maintenance. The Always Ready Engine House will be needing some major repairs in the future.

Comments from the Floor

Ray Valle, 85 Rideout Road – He recalls that the BudCom recommends looking at longer terms for borrowing, yet a capital reserve account is paying now for a future expense. He feels this is at odds with the BudCom's bonding philosophy. Mike explains that if an expenditure is over 3% of the budget, it is good to place it in capital reserves. Any item over \$500,000 is good for bonding. These projects fall within this range. Ray still feels this is contradictory.

16. Major Highway Equipment Capital Reserve – This fund currently has only \$16,000 as recent warrant articles were defeated and a purchase was made. This fund is for major equipment; a grader in 2009 for \$150,000-\$175,000 and \$200,000 for trucks in 2006-2007. Mike comments that this does not meet the BudCom recommendation for capital reserves.

17. Major Fire Equipment Capital Reserve – Rick Towne explains that this is to replace a tanker that is 20 years old. This is needed in 2006 and another purchase will be needed in 2009. Both vehicles are in the \$400,000-\$500,000 range.

18. Compensated Absences Payable Trust Fund – This is a mandate from the auditors to fund earned time balances. Melinda points out that the past few years this has been at \$5,000, yet this year they are requesting \$15,000. She questions why this is tripling. Paul states that they are merely attempting to speed up the process. Melinda questions what level they are trying to reach. Paul states that this is mandated by the auditors and so far they seem to be alright with the pace. This has not been an issue in the last few audits.

19. Ambulance Fee Fund Appropriation – This is an in and out fund. The past few years this has been \$50,000. This year they are planning to purchase a new ambulance, which will not be funded from taxation.

20. Old Home Day Fund Appropriation – Again an in and out fund, no taxation.

21. Police Private Details Fund Appropriation – Again an in and out fund, no taxation.

22. Establishment of Map 43/Lot 67 and Map 31/Lot 46 as Town Forest Property of the Town of Hollis – Non-money item.

23. BY PETITION: Paving of Wood Lane – This appears verbatim as submitted to the Selectmen. This is to pave all of Wood Lane.

The Selectmen are not recommending this article. Arthur explains that this is a well travel, gravel road. There has been some flooding. He can make some drainage improvements for \$30,000 and retain this as a gravel road. This is an option. He points out that the petitioned \$70,000 does include the drainage work. He feels that once the drainage issues are addressed, the town can fully maintain this as a gravel road with no problems. Mark points out that the Master Plan recommends retaining all of the gravel roads. Cath mentions that the petition was signed by all residents of Wood Lane.

24. BY PETITION: Modification of the Optional Veteran's Tax Credit – This will have an effect on the tax rate, as relieving the taxes on one person impacts the taxes on others. The Selectmen were split on this recommendation, with a 2-3 vote, therefore this is not being recommended by the Selectmen. This tax credit was tripled at the 2004 meeting. The selectmen intended to increase this credit by \$100 each year until it reached the \$500 maximum, however the \$100 was increased to \$300 from the floor at last year's town meeting. Therefore they have already received this year's increase, which is why the selectmen did not include this as a warrant article this year. Melinda questions if this credit is for all veterans, not just those from WWII. Mark indicates that the person must have served during war time. Cath explains that for the most recent conflicts, the person must receive certain awards/medals to qualify, yet the earlier wars the person needs to have served for 90 days. Dick comments that the \$100 credit has been on the books since WWII. The law now allows towns to increase this to \$500. He feels the veterans should be given proper recognition. He feels the town should not nickel and dime this credit and should just "do it".

25. BY PETITION: Groundwater Protection – Non-money article.

26. Operating Budget – \$6,009,352. Chris asks how this compares to the target set by the BudCom. Melinda states that this is \$261,000 under the guideline, yet will be an increase of 41% over last year if all warrant articles pass.

Mark states that the Selectmen also discussed the possibility of another warrant article regarding using the current use penalty money to offset land purchases instead of giving these funds to the Conservation Commission. The Selectmen are not recommending this article at this time, they are merely opening this up for discussion during a public meeting. The Selectmen will not vote to support this until they have a chance to discuss this with the Conservation Commission on Monday night. Mark reads a draft version of this article and will forward this to Town Counsel for review. The wording may change.

Melinda questions what this money is currently being used for. Mark explains that the current use money is only used for land purchases. There is other money in the budget to cover other Conservation Commission expenses. Mort comments that he does not wish to discourage the Conservation Commission by doing something like this. He would like to see this remain as it is. Chris asks if any grant opportunities would be impacted by removing this funding. Mort feels that this would occur. Mark will look into this. Melinda states that it may be beneficial to link the efforts of the 2 committees and to use the money the Conservation Commission already has to help lower the bonded amount that will be voted upon this year. Paul states that the money issued to the Conservation Commission carries over. They have \$250,000 right now. Ray stresses that they should not make a decision like this on a whim. This is too quick. He would like to look at this for next year to allow more time to study the situation. He needs more information. Melinda agrees. She does not wish to pull the rug out from under the Conservation Commission. Dick agrees. He mentions that there is land that the Conservation Commission looks at that is not the same as the Land Protection Study Committee. They have similar, yet different goals.

There being no further comment from the floor, the Public Hearing is closed at 10:45 pm.

BudCom Recommendation of Warrant Articles

Mike suggests discussing the Lawrence Barn article first, incase the BudCom votes to include this as part of the facilities bond as was recommended.

14. Lawrence Barn Construction – \$230,000 has been recommended by the Selectmen. Melinda questions why this couldn't be incorporated as part of the facilities bond. Mark states that the nature of this project is much different than the safety complexes, plus it is also partially privately funded. Jim Cram has voiced his opinion and indicated that he would like this article to stand on it's own for voting. Financially the Heritage Commission does not care how this is funded, they just wish to have this item discussed separately. Melinda states that the wording of this article could be changed to stipulate that it be bonded. Mark points out that this would then require a 1 hour vote. Mike adds that it would also need a 2/3 majority to pass. Vahrij comments that the Selectmen have worked very hard on the facilities bond. He does not want to have the Lawrence Barn included and be the reason the entire bond is defeated. He does not support including the Lawrence Barn in the same article as the facilities. He points out that safety is not part of the Lawrence Barn project. Mort agrees that this should be a separate vote, yet it may be prudent to include as part of the bond. Cath explains that she had to post notices for the public hearing on bonding issues last week. There would not be time to post another bond hearing for this. If this were included as part of Article 2, the number that was posted would change.

Vahrij moves to recommend this article as written. Seconded by Mort. Vote: 3-3-0 (Mike, Chris, Scott opposed)

Motion defeated.

Chris comments that he would support this at the \$200,000.

1. Official Reports – Non-money article, no BudCom recommendation required.
2. Bond for Safety Complexes – Fire, Police and DPW – *Scott moves to recommend. Seconded by Chris. Vote: 5-1-0 (Mort opposed) Motion passes.*
3. Bond for Land Acquisition – *Vahrij moves to recommend at \$2,500,000. Seconded by Melinda. Mort moves to amend this to \$3,500,000. No Second, therefore motion to amend dies. Vote on original motion: 2-4-0 (Mort, Melinda, Mike, Chris opposed). Motion defeated.*
Mort moves to recommend at \$5,000,000. No Second, therefore motion dies.
Melinda moves to recommend at \$3,500,000. Seconded by Mort. Vote: 4-2-0 (Vahrij, Scott opposed). Motion passes.
4. Authorization to Acquire Map 38/Lot 1 of Anna Gelazaukas with Article 3 Bond Proceeds – *Mort moves to recommend. Seconded by Chris. Vote: 6-0-0. Motion passes.*
5. Property Tax Equity Committee Appropriation – *Vahrij moves to recommend. Seconded by Chris. Vote: 6-0-0. Motion passes*
6. Establishment of the Employee Health Insurance Expendable Trust Fund – *Melinda moves to recommend. Seconded by Mort. Vote: 6-0-0. Motion passes.*
7. One New Position in Department of Public Works – *Vahrij moves to recommend. Seconded by Scott.*

Melinda comments that Arthur gave a convincing argument to hire, yet not a convincing argument as to why the overtime budget would not be reduced. She will support this article with the idea that the overtime budget would be decreased accordingly. Arthur explains that it all depends on the workload. Most of the overtime comes from snow storms and the new hire will not change this. Paul points out that they have already spent \$30,000 on overtime this year because of the recent snow. This line item has been increased by \$10,000 to accommodate future needs in overtime for the rest of the year. He stresses that they cannot predict the weather and this is a major driver in the overtime. Melinda comments that she now understands.

Vote: 6-0-0. Motion passes.

8. One New Position of Firefighter – *Vahrij moves to recommend. Seconded by Melinda. Vote: 6-0-0. Motion passes.*
9. Position of Permanent Part-Time Police Employee – *Vahrij moves to recommend. Seconded by Chris. Vote: 6-0-0. Motion passes.*
10. Public Works Loader Purchase – *Vahrij moves to recommend. Seconded by Melinda. Vote: 6-0-0. Motion passes.*
11. Public Works Heavy Duty Pick Up Truck – *Vahrij moves to recommend. Seconded by Scott. Vote: 6-0-0. Motion passes.*
12. Sidewalk Construction around the "Block" – *Vahrij moves to recommend. Seconded by Scott.*

Melinda questions if this could be put off until next year. Arthur states that this article was requested by the owner of "The Block". The sidewalk has been in bad shape for a long time. Chris agrees that this is a need, however the sidewalk in front of The Block is not as bad as it is next to Little Nichols Field. He questions if the puddling problem could be addressed without re-doing the entire sidewalk.

Vote: 1-5-0 (Mort, Chris, Melinda, Mike, Scott opposed) Motion defeated.

13. Basketball Court and Tennis Courts for New Field – This article was deleted.
14. Lawrence Barn Construction – *Vahrij moves to reconsider the vote on this article. Seconded by Melinda. Vote: 6-0-0*
Chris moves to recommend at the original cost of \$200,000. No Second, therefore motion dies.
Mort moves to recommend at \$230,000. Seconded by Scott. Vote: 4-2-0 (Mike, Chris opposed) Motion passes.
15. Major Public Improvements Capital Reserve – *Vahrij moves to recommend. Seconded by Melinda. Vote: 6-0-0. Motion passes.*
16. Major Highway Equipment Capital Reserve – *Vahrij moves to recommend. No Second, therefore motion dies.*

Melinda moves to NOT recommend. Seconded by Mort. Vote: 5-1-0 (Vahrij opposed). Motion passes.

Melinda comments that although she understands the need for this purchase, the estimated cost is below the target for capital reserves and should be placed in the budget when the need arises.

17. Major Fire Equipment Capital Reserve – *Vahrij moves to recommend. Seconded by Mort. Vote: 6-0-0. Motion passes.*

18. Compensated Absences Payable Trust Fund – *Melinda moves to recommend. Seconded by Scott. Vote: 6-0-0. Motion passes.*

19. Ambulance Fee Fund Appropriation – *Scott moves to recommend. Seconded by Chris. Vote: 6-0-0. Motion passes.*

20. Old Home Day Fund Appropriation – *Mort moves to recommend. Seconded by Chris. Vote: 6-0-0. Motion passes.*

21. Police Private Details Fund Appropriation – *Vahrij moves to recommend. Seconded by Melinda. Vote: 6-0-0. Motion passes.*

22. Establishment of Map 43/Lot 67 and Map 31/Lot 46 as Town Forest Property of the Town of Hollis – Non-money article, no BudCom recommendation required.

23. BY PETITION: Paving of Wood Lane – *Vahrij moves to recommend. No Second, therefore motion dies.*

Melinda moves to recommend \$30,000 to improve the drainage with no paving being done. Seconded by Mort.

Chris comments that this would show the BudCom as recommending \$30,000 for paving, as this is the wording of the petition. Mark points out that this would have to be amended from the floor. Arthur suggests placing \$30,000 in the operating budget for this purpose. Mike agrees this would be much cleaner. Chris comments that since they cannot alter the wording of the article, he cannot approve it. Scott suggests not recommending. Vahrij stresses that since a majority of the residents on this road have requested this, the Selectmen should support their efforts. These are taxpayers and their concerns should be respected.

Vote: 0-5-1 (Vahrij abstained). Motion defeated.

Chris moves to NOT recommend. Seconded by Scott. Vote: 5-1-0 (Vahrij opposed). Motion passes.

24. BY PETITION: Modification of the Optional Veteran's Tax Credit – *Vahrij moves to recommend. Seconded by Melinda.*

Vahrij explains that he voted as a Selectmen to support this petition. He feels veterans are a priority and the town should support them. Melinda states that she originally felt this was targeted to WWII veterans, who are getting older and on fixed incomes. Yet now she finds out that this also includes many others. She feels the BudCom should be consistent with what the Selectmen intended by slowly increasing this.

Vote: 1-5-0 (Mort, Chris, Melinda, Mike, Scott opposed). Motion defeated.

25. BY PETITION: Groundwater Protection – Non-money article, no BudCom recommendation required.

26. Operating Budget – *Vahrij moves to recommend \$6,009,352. Seconded by Chris. Vote: 6-0-0. Motion passes.*

Vahrij moves to adjourn. Seconded by Scott. Motion unanimously approved.

Next Meeting will be held February 22, 2005 at 7:30 PM in the Town Hall Community Room

Meeting adjourned at 11:35 PM.

Respectfully submitted,

Deborah Adams, Secretary