

# BUDGET COMMITTEE

## Minutes of February 22, 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; Cath Hallsworth, Administrative Assistant; Jim Belanger, Moderator; Tom Dufresne, Chairman Conservation Commission; Roger Saunders & Christine Furman, Members Land Protection Study Committee

### **Discussion with Moderator**

Mike questions what the BudCom will present during the town meetings and at what time will they be allowed to speak. Melinda states that she will have information on the budget and the bond impact. She would like to list each warrant article and its impact. There is also the Gemmill Chart with a summary. She would like to present the tax impact first, to give people a sense of the big picture. She suggests having a separate screen to keep this up during the presentation of each article. Jim explains that any bond item must be presented first. Mike agrees that it would be beneficial to discuss the bond impact before each bond articles is discussed. Jim agrees. Melinda suggests waiting until the second or third day of town meeting to present the information on non-bond items.

Mort stresses to not get too fancy with the presentation. They should go for the shock factor. If all articles were to pass, this is the total tax impact. Mike would like information presented on each individual article. Jim explains that in the past the proponent presents the article, the BudCom will then make comments, then the floor is opened for public comment. Vahrij stresses that the articles should be discussed separately. The safety complex bond article should stand on its own and not get lumped in with the discussion for the land acquisition bond article. Mike states that he would like to show the big picture, with the total bond impact. Then after each article give a brief summary with the tax impact for the individual article.

Melinda comments that she has been working with Anita on the school presentation. Anita plans to incorporate the BudCom slide into the school board slides. This is typically a simpler meeting.

Mark calls the Board of Selectmen to order at 8:00 pm.

### **Lawrence Barn Concerns**

Alan Archambault, proprietor of Alpine Grove Banquet Facilities requests the BudCom's attention for a few minutes. He explains that he has some concerns about the changing plans for the Lawrence Barn. He stresses that he fully supports the reconstruction of this barn and its use as a community meeting space. He is concerned about the possibility of having a 300 seat function hall located 3 miles from his facility. The ability to host weddings, sports banquets and other large functions would have a major impact on his business. He questions who would technically own this business, as the project is partially funded through town taxes and the remainder is privately funded. He must pay property taxes on his facility, yet the same use would be offered by the town at the Lawrence Barn. He stresses that this is not a fair playing field. He fully supports this as a community center, but not as a function hall. Alan points out that liquor is not allowed on town property, yet an off-site liquor license from the caterer would side-step this. He stresses that he would end up supporting his competition at this facility with his property taxes.

Mort agrees that the town should not be in competition with private industry. He feels the Lawrence Barn Committee should establish an agreement with the town; guidelines on what can and cannot be done at this facility. Alan agrees. He stresses that he is not concerned with small, non-profit groups holding catered events. He is mainly concerned with the idea of large weddings and functions. He stresses that it is not fair for the town to get into competition with private companies. He knows first hand what he spends on salaries, taxes, insurance for this type of use, etc. This can become quite expensive. Mike understands. He comments that this is the kind of information he had attempted to obtain from the Heritage Commission.

Vahrij stresses that he is in total opposition to alcohol use on any town property. He points out that there is an existing town ordinance prohibiting alcohol on town property. Mike states that the Heritage Commission has already presented information to the public that this could be used as a function hall. Any town ordinance can be amended if the need arises. Scott stresses that this will still be town property and the town should decide the parameters, not a small committee.

Jim Belanger states that the BudCom should not be considering sources of income to help pay for the barn. The town should not expect that any revenue will help pay for the operation of this facility. Mike agrees, yet points out that there are many issues that have not been thought out or

presented; scheduling, cleaning, number and type of events, etc. Jim stresses that there is federal statute that prohibits the use of public money as competition with private industry. Mike comments that there is a problem regarding how and who will manage this facility. Ray stresses that they want a community barn, not an event center. Cath points out that there is also a major parking problem at this location. If there were a large event scheduled at the same time as recreational uses of the fields, this will be a scheduling nightmare and a major parking problem.

Debbie explains, as a Hollis voter, that the presented use of this barn is not what she originally approved when this idea was first presented to the town several years ago. When the concept of preserving the barn originally came up for vote many years ago, the project was presented as a community center for the many non-profit groups in Hollis; boy & girl scouts, the Women's Club, the Garden Club, the Seniors, etc. This was never presented as a function hall. She is upset that the scope of the project has changed so drastically from what she originally approved. If this had been presented as a function hall, she would not have voted for it.

### **Land Purchases – LPSC vs. Conservation Commission**

Mark calls all of the Selectmen up to the table with the BudCom. He also invites Tom Dufresne of the Conservation Commission and Roger Saunders of the Land Protection Study Committee. He comments that he would like to reach a consensus with the other committees. When one board in town differs from another board, it can be difficult for the voters during the annual meeting. There are 2 articles coming up for vote where the boards/committees have differing opinions. Article 3 for land purchase bonding and Article 5 for current use penalties to be used to offset taxes. Article 3 is supported by the Selectmen for \$2,500,000, by the BudCom for \$3,500,000 and by the LPSC for \$3,500,000. Article 5 is supported by both the Selectmen and the BudCom, yet is not supported by the Conservation Commission. Debbie points out that the BudCom did not take a position on this article.

Mark comments that this year will be a huge shock to tax payers when they receive their tax bills. He feels there may be more no votes this year than in the past. Mort stresses that it all depends on how it is sold. The taxes will increase more if they do not buy the land. Mark adds that many people are feeling the financial bite and are concerned about the increase to the tax rate. There will be an erosion of support for land purchases if this is not presented properly.

Melinda mentions that there is an extra \$600,000 for the coop with the current apportionment. Part of this includes a large amount for bonding. If the apportionment can be changed to 100% adm, this will help to cover the extra amount for the land. Mort agrees wholeheartedly. He stresses that nobody seems to object to paying this subsidy to Brookline. Melinda feels this will be a good time to address this issue with the voters. Mike points out that when the state aid to schools changes, there will be a major change to Hollis.

Mark makes the following observations:

Article 3 – Land Purchase Bond – If the Selectmen trust the voters, they can ease the cap on the bonding authorization. Recent support for land protection has been in the 70-90% range. Voters want this program.

Article 5 – Change to Current Use funding for Conservation Commission – The motivation is tax relief, not restraining the Conservation Commission. The Conservation Commission currently has \$508,746 cash on hand. The Selectmen have the authority to put any land purchases on the warrant; not just those initiated by the Land Protection Study Committee. Any Conservation Commission initiated purchases can be placed on the warrant for the annual or special town meeting.

Mark makes the following recommendations, subject to agreement by the BudCom, Conservation Commission and Land Protection Study Committee:

- Support \$3,000,000 land protection bonding authorization.
- The Land Protection Study Committee to support amending Article 3 to \$3,000,000 and no higher (although the public may amend higher).
- Establish an understanding that a portion of the authorization, equivalent to 50% of the LUCT, will be reserved for any purchases recommended by the Conservation Commission.
- Conservation Commission agrees to support Article 5.

Mark explains this would be an advantage to the BudCom and Land Protection Study Committee to have the Selectmen support a higher bonding authorization. This would be an advantage to the Conservation Commission, as they would retain their purchasing power. This would also be an advantage to taxpayers with an estimated \$0.20 reduction to the projected tax rate and the ability to vote on any proposed land purchases.

Mort states that it is much easier to make a deal when they have cash in hand. Tom Dufresne states that the Conservation Commission can make a deal in 3 months, while it takes the Land Protection Study Committee months or even years. He stresses that having cash in hand is an asset. Mark agrees, yet stresses that there are other issues to think about. Mort points out that the Conservation Commission looks at different land than the Land Protection Study Committee. They also have the ability to apply for and receive grants from the State. Mark questions what kinds of land the

Conservation Commission typically looks at. Tom states that they look at land they can afford. When they only have \$100,000-\$300,000 they cannot go after properties like Woodmont, yet they can look at smaller parcels. He stresses that some of the land they look at are just as "choice" as the Land Protection Study Committee lands.

Mike questions what benefits there are in keeping the current use money going to the Conservation Commission. Tom explains that as a taxpayer he has seen a tax impact over the past few years, as well as the fact that he has lost ½ of his income during this time. Regardless, he is concerned that the Conservation Commission will lose their funding. He stresses that there is no impact on the tax rate when these funds are used for land purchases. There are also grants available to the Conservation Commission that are not available to the Land Protection Study Committee. Mike is not convinced that having cash in hand is any quicker, as he has seen the Land Protection Study Committee succeed with fast deals. Tom stresses that this Article came up very quickly without time to thoroughly investigate.

Mike questions whether the needs of the Conservation Commission could be met through the bonding authority of the Land Protection Study Committee. Roger Saunders comments that the members of the Land Protection Study Committee feel that the Conservation Commission provides an equally important service to the town. They do not want to take anything away from them. Mike asks if the bonding authority could be set up so that both committees could use the funds for land purchases. Tom points out that even free land that is donated to the town has costs for surveying, legal fees, inspections, acquisition costs, etc.

Christine Furman explains that the Land Protection Study Committee has been actively pursuing some grant opportunities, one of which they are hoping to get for the Woodmont Orchard purchase. She points out that the mission statement for these two groups are vastly different and she would not like to see them combined. This would be difficult. Mike stresses that they are not looking to merge the groups, only to find the most economical way for the town. Mark agrees with this statement. Mort feels that it is too quick to make a decision. David Gilmour comments as a private citizen he would prefer to wait until next year to make a decision. He questions why they need to fix something that is not broke. He stresses that the Selectmen should get more information before attempting this.

Mike comments that currently the Conservation Commission has \$500,000 that could be used to offset taxes, yet is just sitting not being used. The town has already paid taxes on this money. At the same time the town has bonding authority for land purchases that is not costing anything until it is used. Mort points out that many towns give 100% of their current use penalties to the Conservation Commission, while Hollis only gives 50%.

Melinda states that several years ago they fought hard for the Conservation Commission to receive these funds. She would not like to see this rescinded. She feels it would be more appropriate to have a discussion with the Conservation Commission regarding how much they foresee needing and whether they will need the money this year. If they don't have any upcoming needs, some of these funds could be used to offset taxes. Mike stresses that this is not a 1 year issue. They need to determine how to best finance all land purchases and having the Conservation Commission purchase land out the bonding authority may offer the same result. Chris agrees with Melinda. He would prefer to gather more information and study the issue thoroughly before making this decision. Roger asks if it would be possible to table this Article during the meeting. Mark agrees that this would be possible.

Chris suggests having the BudCom not support this article, with the notion to study it more for next year. Mike agrees that he would like more information on the Conservation Commission's ability to use the bonding authority and their ability to obtain grants.

*Melinda moves that the BudCom NOT support Article 5. Seconded by Mort. Motion approved 4-1-1 Voting In Favor – Mort, Chris, Melinda, Scott Opposed – Vahrij Abstained – Mike*

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

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

Meeting adjourned at 9:20 PM.

Respectfully submitted,

Deborah Adams, Secretary