

BUDGET COMMITTEE

Minutes of June 28, 2005

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

Members present: Mike Harris, Chairman; Scott Bartis, Vice Chairman; Melinda Willis, Selectmen's Representative; Christine Furman, Mort Goulder, Chris Hyde; Deborah Adams, Secretary

Town Report

Melinda reports that the Selectmen and 2 members of the BudCom met at the library last night for a presentation and tour. The Library Trustees discussed their future needs at the library. They will be looking for increases to their budget for expansion of the building and services. Handouts were given to all, with additional copies presented to the remainder of BudCom members. The library recently performed a survey and the Trustees would now like to incorporate some of the public's requests; such as longer hours, which will require more staffing. Other changes include increasing the young adult programs, more public access computers and larger facilities. The basement cannot be used for functional use because of water problems.

Mike asks if they are planning to perform a study of their space needs. Melinda indicates that they will do this. At this time they are not requesting any funding for structures, except for repairs to the roof/dome. Christine comments that it will be difficult to expand the parking lot and she would hate to lose any parking spaces with an addition to the building. Melinda states that they did comment that they will be requesting funding for more bookshelves. Last year they requested money for ½ of the required shelves, this year they will be asking for the remainder. They will unfortunately lose some seating space with the new shelving. Christine comments that they cannot do away with all of the seating. When this is lost, the atmosphere is also lost.

Melinda explains that the facilities renovations for the fire department, police department and dpw are in the works. The Selectmen have hired a construction manager, who they will work with during the bidding process for subcontractors. This will allow the town to hire local subcontractors for the work. The work should begin in mid-August.

Melinda reports that she had been concerned with increasing cell phone costs for the town and mentioned this during a management meeting. The police department has now changed over to Nextel for their cell phones, which also have a walkie-talkie feature. Paul adds that this is on a month-to-month basis, not a yearly contract. Melinda states that the dpw also changed over to the Nextel phones, yet they have retained their truck radios. The police have indicated that there are still some dead zones in Hollis for the phones, yet the walkie-talkie feature tends to work in those areas. Adams points out that when calling cell phones from Hollis phones, this may create a long distance phone charge. Most cell phone numbers are not local calls for Hollis phone exchanges. Paul explains that the police department also got rid of their pagers. Mike stresses that police communication is vitally important and should not be a cost issue. He would like to know if they will have full coverage during an emergency.

Melinda explains that they switched from cell phones and pagers to cell phones with walkie-talkies. The police still have their radios in the vehicles. Chris asks if they still have the radio that is located up on their shoulder. Mike feels they need to identify all of the requirements for the police and not base decisions like this on a cost issue. Melinda states that the dpw was not comfortable losing their pagers too, therefore they only went with the cell phone change. Mike points out that during terrorist attack on 9/11, they found that emergency radios were the only dependable form of communication. He would like more information on this issue.

Melinda reports that the town continues to receive donations for the Lawrence Barn project. Paul states that they have received \$32,000 in donations this year so far. Melinda mentions that the overall budget is tracking well. The budget is in line for the year. No emergencies have occurred. Department heads are already looking ahead for preparation of next year's budget. Paul report that he switched accounts from Bank of America to Citizens Bank. So far, through the end of May, the town has already earned the same interest as was earned in all of 2004. Chris asks if the town is still on schedule for bonding. Paul states that the bonds should be in place by August 15th. The bond rates are still at a level where they want them. Currently there are no purchase and sales agreements signed with Gelezaskaus, Lievens (Woodmont) or Siergiewicz. The only item that they have a purchase and sales agreement signed for is the land to expand dpw as part of the safety complex bond. Melinda explains that the town is currently having environmental studies performed on the Gelezaskaus land. The lawyers still need some additional time to work out details of the grant for Woodmont. The grant has gone through, however the bonding date has been pushed back to July 7th. The Siergiewicz property still has a probate issue due to the death of one of the owners. Paul adds that the town can bond at any time during the year with their new financial advisors.

School Report

Debbie explains that due to unfortunate circumstances, neither of the School Board Representatives could attend the meeting this evening. Anita did email some notes to her this afternoon regarding the status of the budget. If the BudCom has questions, they can call LeeAnn or Anita tomorrow for more details.

School Report email from Anita

Contingency

- Spent \$33,000 on boilers at the Primary School following the fire. They are currently negotiating to recoup some of this expense through insurance.
- Spent \$11,000 on boilers at the Upper Elementary School.
- Approximately \$14,000 remaining in Contingency

Unexpended fund balance is very low – Account overages include:

- Legal expenses for Support Staff Contract petitioning the court and preparing for the Special District Meeting
- Policy customization service (review, update, customize and create a searchable on-line policy service. All 3 districts in the SAU are participating, yet each will have their own policies customized for their district).
- Personnel (3 shared paraprofessionals in 6th grade because it was over the ed specs, curriculum supervisors went off of the teacher contract)
- This will be updated when finalized at the end of the year.

Known issues for 05-06 budget

- Oil prices have gone up from \$1.199 to \$1.869 effective July 1st. Lorden Oil is still the best price to be found in the region. This price increase will have a major impact on the 05-06 budget. This is the price that will be locked in for the rest of the season. If this is not paid by July 1st, the price will increase even further.

Scott arrives at this time.

Mort questions why the negotiations for the coop, the town and the Hollis school are not done together. Mike states that the school and coop stated doing negotiations together, yet after some time the coop contract wanted to separate themselves from Hollis. The two contracts have since drifted apart over time. The coop does pay more than Hollis. Melinda recalls Harry Haytayan commenting that the support staff contracts will be negotiated together. Christine questions why there are no BudCom members participating in the negotiations. Melinda comments that the BudCom did assist with this in the past, then the School Board indicated that they did not want the BudCom involved. Now they are stating that they do want the BudCom's help. Christine feels it would be a good idea to have the BudCom assist with this. Mike comments that he has negotiated many contracts over the years. It is a lot of work. He has always felt that if the negotiations are not completed in time for the hearing, it is just too bad.

Mike is concerned about this Policy Customization Service that was mentioned in Anita's email. He feels that this item should have been included in the general budget and should not have been expended from the unexpended fund balance.

Upcoming Public Hearing

Debbie announces that the Public Hearing regarding the warrant article for the Hollis support staff contract of \$83,000 will be held on Tuesday, July 12th at 7:30 pm in the Music Room at the Hollis Brookline High School. The Coop BudCom will also be having their public hearing that evening as well. Their meeting begins at 7:00 pm and the Hollis BudCom will commence immediately following the conclusion of their meeting.

Mike feels that if they were not ready for the annual meeting, the BudCom should not support the special meeting. Chris explains to Mike (who was not present at the previous meeting) that the BudCom did vote unanimously to NOT support the special district meeting. He is very concerned that this information was not provided to the Judge when he was making the decision to grant the special district meeting. He also sees a potential conflict with Attorney Bill Drescher representing both the town and the school. He stresses that the BudCom's view was never made public to the Judge. This is the same issue with the coop.

Mike states that he had planned to present the BudCom's position to the court, however he was never informed of the date. He does not anticipate many voters attending the meeting, and they will only need 1 or 2 people to approve this contract. If he had been informed of the proceedings, he would have provided a document to the court. Chris points out that the school board certainly knew that the BudCom did not want this. He would hate to spend money on legal fees for a separate attorney to represent the BudCom's interest in these kinds of issues. He stresses that the BudCom needs to be more hands-on with these contracts in the future. Mike states that he will need to discuss the lack of communication problems with the new superintendent.

Spreadsheet on School Funding from the State

Mike comments that they should expect this to continue reducing until there is nothing. Christine states that they need to set this money aside and pretend it is not there. Melinda points out that the school has already accounted for this money and spent it. Mike mentions that he has been informing the public of this potential for the last 2 years. They cannot merely set this money aside. Melinda comments that it is not just the voting public hearing this, it is the school board and the SAU that need to set appropriate budgets because of this. Their reaction was that this was merely a revenue issue, not a budget issue and that they need to spend what they need to spend. Chris comments that this was a very close call this time regarding losing all of the funding. The BudCom needs to stress for much tighter budgets. Melinda states that this revenue will reduce by 15% this year, then another 15% each year, continuing until it reaches zero. Although this formula could change at any time.

Melinda mentions that she did have the opportunity to speak with many people about the struggles the town would have if \$1,000,000 in revenue were cut without any warning. That this would not be fair to the town after budgets had already been set and approved.

Chris cites the 2000 census, which reports that 27% of Hollis is under the \$50,000 salary range. In 1999 there were 57 people in Hollis classified as "poverty status". That is 3% of the population. Mike points out that it is not right for a town like Berlin to be subsidizing a town like Hollis. Christine states that she will contact one of our State Representatives to inquire about what is going on. Mike stresses that the town needs a plan on how to wean off of this revenue. Paul agrees that the BudCom does a great job informing the public of these issues, however the problem is that not many people in the town attend these meetings.

Christine states that she will invite State Representative Dick Drisko to the August meeting. Scott points out that he cannot handle another meeting like the one that was held in April at the elementary school. The BudCom cannot discuss hypothetical issues. This is not helpful. Christine states that she will ask Dick to report back to the BudCom on the status of the school funding issue. Mike agrees that he does not want another meeting like the April one. He does not need to hear about all of the processes going on. He would like to hear from Dick when any decisions are made. He does not need to hear about each step leading up to the decision. Melinda comments that when Harry was the State Representative he did a good job reporting to the BudCom.

Pension

Chris mentions that he recently sent out an email with a link to an article in Business Week regarding the growing abyss facing municipal pension plans. Several states were highlighted as being in serious trouble. He is concerned about the status of Hollis. He asks the BudCom if they have enough interest in exploring this topic. He questions whether the Town's pension plans are funded at a level that will not cause the town to face any outlandish budgetary impacts in future years. Mike recalls that this was an issue several years ago and that there was an attempt at that time to correct this unfunded liability. Paul explains that every 2 years a full actuarial is performed on this. Mike states that he does not believe the State has completely closed the gap on this. Paul explains that this is currently funded at 80%. When he read the article it was reported that some towns are only at 60%. He mentions that the NH Retirement system is not based on returns, it is based purely on contributions.

Preschool

Chris mentions that more people have contacted him with their concerns about the new preschool program at the Primary Elementary. Some of these concerns are from board members of the Hollis Preschool. They have expressed concerns about what has already taken place. Hollis Preschool is a non-profit organization that has been in Hollis for many years (possible 50+). They currently have 80 students. They are constantly fighting to make ends meet. They have recently lost several students and are very concerned about the new competition with the Hollis school. Chris advised them to approach the school board with these concerns. He points out that during previous discussions with the school board, they were informed that the school board was working with the local preschools, however this does not seem to be the case.

Mort comments that Hollis never had kindergarten in the past. A preschool/kindergarten was created at the Church. Hollis started offering kindergarten at the schools to help alleviate overcrowding at the Church. He does not see why the private preschool will not survive. Mike explains further what the school is attempting to accomplish and what the BudCom's concerns have been from the beginning. He suggests having a board member from the preschool attend the August BudCom meeting to voice their concerns.

Scott recalls last year when having discussions with the Heritage Commission regarding the Lawrence Barn, information came out that the town cannot compete with private industry. He questions whether this would fall into that same category or whether the school is different than the town. Mike believes that this would be the same issue. The proposed preschool will be a paid, private service offered with special education services provided as mandated for these children. Hollis is mandated to provide services to the preschool aged special needs children, yet Hollis is not mandated to provide those same services to normal education children. He agrees that the school should not compete with a business.

Silver Lake State Park

Chris mentions that this land is owned by the Town and leased to the State to be used as a State Park. He believes this was done many years ago in hopes of bringing tourism to the town. He understands that this lease may be ending soon and will be up for renewal. He would like to see if there is any interest in changing the use of this land. He has had discussion with Police Chief, Richard Darling regarding how the cell blocks were filled last July 4th due to many arrests and problems from Silver Lake Park. There were so many arrests, Hollis ran out of room and had to transport people to

Nashua. He points out that Hollis has recently spent much money to conserve the land adjacent to this property.

Mort is not sure if this information is correct. He thought the Town had a chance to purchase this land many years ago, yet refused. Mike disagrees. He also believes that the town owns this land. He agrees that they need to investigate this further to determine any legalities regarding whether the Town must renew the lease or not. Chris states that he would not be supportive of leasing the land for \$1.00. Melinda suggests the town could keep this as a town beach. Mike points out that there would be other expenses involved with doing that. Chris mentions that this would also be a potential source of revenue for the town. Mike agrees that many people do visit Hollis because of this lake. Mike will ask the Selectmen to look into this issue. Chris is not sure of the timeframe. He would like to discuss this with the community to see if there would be any interest. Mike agrees that if the town had a choice in this issue, he would like to discuss it with the voters. Melinda explains that a new Strategic Growth committee is being formed. They will be polling the community on many issues; this may be included as well.

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

Next Meeting will be held July 12, 2005 at 7:30 PM in the Music Room, Hollis Brookline High School for a Public Hearing to review the proposed warrant article for 2005-2006 cost items for the Support Staff Collective Bargaining Agreement for the Hollis School District Budget.

Meeting adjourned at 9:00 PM.

Respectfully submitted,

Deborah Adams, Secretary