



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

Minutes of September 10, 2013

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Tom Gehan at 7:03 PM.

Members present: Tom Gehan, Peter Band, Mike Harris, Susan Benz, Debbie Pucci - Hollis School Board Rep.

Others present: Deb Padykula – Finance Officer

Pledge of Allegiance was said.

Approval of minutes:

Mike H. moved to accept the minutes of 8/13/13 as amended. Susan B. seconded. Motion passed unanimously, with Debbie Pucci abstaining. Vote was 4-0-1. Minutes were accepted.

Town Report:

Deb P. stated that no significant changes have occurred on the finance side since the August meeting. Everything is tracking well. She pointed out expected surpluses in Workers Comp, the NH Retirement account, and Health Insurance. Police and Communications overtime budgets may end up short, but there appears to be enough in the union salary lines to cover the difference.

Deb P. stated that revenues are on track. Town Clerk is slightly above expectations.

A draft copy of the 2012 Financial Statement has been received. The fund balance is expected to come in at \$1.6 MM for 2012. After making a few journal entries, the final version will be available. Deb P. will circulate it to everyone.

Deb P. reviewed the budget meeting schedule for Selectmen and department heads.

Peter B. discussed the preliminary results from the town statistical update. The overall town valuation dropped from \$1.326 billion to \$1.237 billion, or approximately 7%. Residential properties were down about 7%, vacant land went up 3%, commercial properties were down 6%, condos went down 15%, and mobile homes were down 8%.

Peter B. stated that the yearly contract for propane has been signed. DPW has purchased salt as well. The DPW Director position is still open. Several resumes have been received and the Selectmen are in the process of reviewing them and setting up interview appointments.

Peter B. also mentioned that although the Workers Comp expense line is down this year, it is likely to be higher in 2013 because the premiums are expected to be up due to the recent claims history. The increase could be as much as \$20K. Also, the additional funds needed to make up for the shortfall in revenue from the Nichols Trust could be \$5K next year.

Mike H. asked how Hollis had fared compared to other towns which had recently undergone statistical updates. Peter B. stated that typical towns have decreased by 15% on average. So it appears that Hollis held it's value better than most.

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Peter B. then mentioned that the Town Hall exterior project is going well and on schedule. In addition, the management of the Farley Building project has been taken over by the Selectmen. By utilizing contractor manpower and equipment from the Town Hall project, some savings was achieved toward repair of the roof.

School Update:

Debbie P. stated that the School Board has not had any extensive budget discussions yet. They meet tomorrow night. Mike H. asked about getting answers to the list of questions the BudCom had prepared at their last meeting. Tom G. stated that, following a telephone discussion he had with the interim Superintendent, he feels that all of their questions have been substantially answered.

Debbie P. also asked whether the board had ever used a professional negotiator in the collective bargaining. She thought that, due to the newness of many of the board members and the complexity of the issues at hand, it would be money well spent. Mike H. stated that he has extensive experience in that area and offered to help and advise them. He stated that professional negotiators haven't always worked out as well as was intended.

Public Input:

No members of the public were present.

New Business:

Tom G. reviewed the assumptions made in the process of developing a budget guidance number. Debbie P. asked whether anyone had assessed the impact of "Obamacare" on budgeting for health insurance costs and on contract negotiations. Mike H. stated that there are too many unknowns at this point, but that existing health plans should not be greatly affected. Debbie P. was more concerned about the surcharge on "Cadillac" plans, which are the kind that the school district tends to offer.

Tom G. stated that the town base budget is \$200K higher than last year, partially because the additional \$100K for road rebuilding is included, and also because of certain embedded costs from the Collective Bargaining Agreement. Also, the 1% multiplier has been applied. Mike H. suggested that the \$100K should not be included in the base, but should be a separate entity, as it was done last year.

Debbie P. stated that the 1% multiplier should not be taken lightly, that it represents real money to the taxpayers.

Mike H. made a motion to accept the recommended budget guidance town preliminary FY14 as amended (by moving the \$100K for road rebuilding from the base budget to supplemental, removing the additional patrolman, and including the increase in NH Retirement). Peter B. seconded. All voted in favor, with Debbie P. abstaining. Motion passed 4-0-1.

Tom G. discussed data showing employee costs as an ever increasing part of the school district budget. Since 2009, employee costs have risen from 63% to 72% of the budget. Mike H. mentioned that he tracked that data when he was on the school board, and that the percentage used to be a lot higher. He stated that it was desirable to have teacher salaries at a high percentage, keeping in mind the proportion of administrative employees vs teachers.

Mike H. asked Debbie P. to obtain data on the costs associated with the new Common Core mandate.

Tom G. asked Deb P. whether there were any anticipated changes on the revenue side. Deb P. stated that Hollis is now providing dispatch services for the Town of Mason, so there is revenue of approximately \$35K associated with that. Peter B. mentioned that Land Use Change Tax revenue should be up this year.

Motion to adjourn was made by Mike H. Susan B. seconded. Meeting was adjourned at 8:42 PM.

Respectfully submitted,

Barbara Kowalski, Tax Collector