



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

Minutes of September 11, 2012

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Tom Gehan at 7:00 PM.

Members present: Tom Gehan, Mike Harris, Chris Hyde, Susan Benz, Rob Mann – Hollis School Board

Also present: Deb Padykula - Finance Director

Pledge of Allegiance was said.

Review of Agenda

Review / Acceptance of Minutes:

Mike H. moved to accept the minutes of 8/14/12. Susan B. seconded. Vote was unanimous in favor. Chris H. and Rob M. abstained. Minutes were accepted.

Reports:

Town – Deb P. reviewed the August YTD financials. Expenditures are in line with the budget, with the exception continuing to be the Legal account. Mike H. asked about the road maintenance accounts. Deb P. stated that the Road Rebuilding and Block Grant accounts have been completely expended. The DOT Bridge Aid money will be spent on Hayden Road and Forest View Drive. Mike H. stated that he would like to know what the priority list is for future road work.

Deb P. notified the committee that the auditors will be at the next Selectmen's meeting (9/24/12) to present the findings of the 2011 financial audit. Mike H. asked whether the Selectmen were still considering going to a fiscal year rather than calendar year budget. Deb P. stated that it is a complicated, long-term process and that no decision had yet been made.

Deb P. mentioned that, in case the committee members were interested in attending, the LGC Budget and Finance Workshop is 9/18/12.

Schools – Rob M. stated that the School Board has a regular meeting tomorrow night and wanted to know when budget guidance numbers would be available. Tom G. said that the plan is to provide preliminary guidance in October, final guidance in November. He asked Rob M. for the most current enrollment projections from the Principals at HPS and HUES.

Rob M. updated the BudCom on the status of the findings of the benefits working group. This group has been tasked with searching out cost saving options in the area of health insurance and other benefits. The group has been working with a panel of benefit plan advisors. Rob M.'s understanding is that some conclusions and recommendations will be available shortly. Mike H. asked whether the group had been able to make use of the findings from a similar study done by the town last year. Rob M. said he was not aware of it, but felt that that information would be useful. Tom G. asked Mike H. to make the results of that study available to the school district.

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Chris H. recommended that if there were to be any "sidebar" agreements proposed, that they be reviewed by the BudCom first. Rob M. was in agreement.

Mike H. asked about the paving work at the schools. Rob M. stated that the projects were complete and came in at or under budget.

Susan B. asked to have the school financial reports sent to the BudCom members prior to their monthly meeting, which occurs the day before the school board meeting, if they are available.

Rob M. mentioned that the school board held a strategic workshop on 8/29. Another one is planned for mid-October. Rob M. also mentioned that they are moving forward with the plan to stream meetings live over the internet. Tom G. suggested that the school district work with the town to see whether the internet service that the town has subscribed to could include the school meetings as well, for little or no additional cost.

Public Input: none

New Business:

Chris Heiter of the Hollis Energy Committee presented the results of the recent town-wide energy audit. Hollis won an EECBG grant two years ago and with \$70K was able to evaluate 12 buildings for potential energy cost savings. Projects were grouped into categories based on their budgetary impact. The cost savings could be several thousand dollars per year from simple changes in operating procedure which have no implementation cost. Additionally, there were several projects in the "less than five year payout" category. Chris H. suggested that each district should incorporate these projects into their Capital Improvement Plans, and pursue funding for the free and short payout items as a top priority for next budget year. Chris Heiter mentioned the "Pay for Performance" program, which is being discontinued but still has some available funds. This could provide funding for larger projects in the near future. Two projects that are already in the pipeline are replacement of the boiler and hot water heater at the Police Station. Discussion centered around payout times, etc. Chris Heiter stated that other projects that have been identified as having short payout times would be insulation and air sealing.

Tom G. stated that he would email the heads of the governing bodies for the Town and School District with the recommendation to implement the no-cost project items immediately. Furthermore, that the draft budgets for 2013 should reflect anticipated savings from these projects. He also will suggest that they work with the Energy Committee to identify inputs to their Capital Improvement Plans and pursue options for obtaining grant money.

2013 Budget Guidance Process Overview:

Tom G. reviewed the method for developing budget guidance. This includes assumptions made about the state of the economy, prioritization of maintenance items, conformance with Ed. Specs., inflation rates, etc. Tom G. gave a brief overview of the discussion from the previous night's Selectman's meeting concerning renovation of the Town Hall building and the subject of bonding. The goal is to time any new bond to coincide with the retirement of an existing bond. A number of adjustments were made to the guidance rules. Some concern was expressed among the committee about the increasing percentage of the overall budget attributable to the town. The strategy for renovation of Town Hall was discussed.

Tom G. stated that the Selectmen had recommended allowing up to 3% increase in the budget. Mike H. disagreed, saying he thought that was excessive. Deb P. mentioned that health insurance costs depend on somewhat on which plans are adopted, so that is hard to nail down prior to open enrollment. She stated that NH Retirement costs will increase at least three percent. Budget increases associated with the 2nd year of the current union contract are approximately \$40K. Chris H. asked approximately what percentage increase this represents on the overall budget. In other words, after the known increases are applied, you need to know how much increase remains, if any, to be applied to other areas of the budget.

Estimated base budget numbers were reviewed in order to arrive at a starting point for next year's budget. Deb P. also mentioned the assessing department revaluation scheduled for 2013, the cost of which is likely to be between \$40K and \$60K. The consensus was to budget \$100K additional for road rebuilding, \$40K for the assessing statistical update, and 1% on the remainder of the base budget. The net effect was an

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estimated overall 2.4% increase of the total budget. (It was later determined that the calculation of the net effect made during the meeting was incorrect. The correct estimated overall increase is 2.8%)
Mike H. made a motion to apply this guidance to the town budget. Chris H. seconded. Tom G. stated that this was preliminary guidance. All voted in favor of the motion.

Next regular BudCom meeting: Tuesday, October 9.

Motion to adjourn was made by Mike H. Susan B. seconded. Meeting was adjourned at 9:40 pm.

Respectfully submitted,

Barbara Kowalski, Tax Collector