



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

Minutes of May 8, 2018

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, Mike Leavitt, Mark LeDoux – Selectman Rep, Darlene Mann, and Tammy Fareed – School Board Rep

Others present: Deb Padykula – Finance Officer, Kelly Seely – SAU Business Administrator

Pledge of Allegiance was recited.

Approval of Minutes:

Mike H. moved to accept the minutes of 4/10/18 as amended. Darlene M. seconded. Motion passed. Vote was 6-0-1. Mark L. abstained.

Public Input:

Peter Baker, Buttonwood Drive, requested information regarding the Unassigned Fund Balance so that he may write an explanatory summary.

Chris H. stated that the fund is defined in state RSAs.

Deb P. added that she could provide the town's fund policy.

Mark L. stated that the undesignated fund balance is statutorily required and represents a percentage of the annual budget. He said that over the past 6 years the fund has increased from \$150K to \$3.4M, but ideally should be at \$2.5M. The fund's balance is above the DRA and Moody's recommendation but below GASB's.

Mark L. stated that the town's bond rating increased to AA/2 as a result of the increased fund balance and enabled the town to refinance several bonds, resulting in \$400K in interest savings.

Mike H. stated that unspent funds from taxation have been rolled over into the fund balance. He added that when the fund exceeds the guideline the town finances expenditures using the fund to bring the balance back to the desired level.

Chris H. added that the fund can also be reduced by returning the funds to the taxpayer by reducing the tax rate.

There was additional discussion regarding the tax rate and efforts to keep it level.

Town Report:

Mark L. stated that expenditures are on track at 33% spent and revenues are a little lower because they are back end loaded and will come in later in the year.

Mike H. asked about current use and building permit revenues.

Deb P. replied that current use is currently \$12.5K and permits are at 48% of the projected budget, noting that spring is the busiest time for the building department.

Mark L. discussed the disposition of the Howe property and stated that the warrant article failed due to documents that were misfiled at the federal level, causing deadlines to be missed. The town is not at fault. Ms. Howe is welcome to propose another warrant article at next year's meeting but the town is hesitant to work with the federal agencies again given the sunk costs (legal, analysis, etc.) associated with this failed warrant article. \$200K that was in reserve for this transaction has been released to the unassigned fund balance.

Mark L. expressed his support for multi-board and multi-committee meetings with State officials representing Hollis.

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Mark L. stated that as a result of a meeting he had in Concord he learned that the governor may sign a bill which increases the veteran's tax credit from \$500 to \$750 and doubles the disabled vet credit to \$4K. The town currently issues \$160K in veterans' credits annually and the increase would add ~\$100K.

Chris H. stated that it would be helpful to recommend a framework for specific legislation to be discussed and referenced restrictive RSA deadlines.

Mark L. stated that he would like to address the unfunded pension liability. There was a discussion about how to fund the current pension liability and transition the state retirement plan to a more sustainable 403b model.

Mark L. stated the auditors want to report an \$8M OPEB (other pension employee benefits) liability on the financial statements.

Deb P. clarified that there are two separate liabilities. There is the state pension liability and the Other Post-Employment Benefits (OPEB) liability, which is retiree health insurance. GASB requires that it be reported in the town's financial statements. The town does not need to have this funding as the town is only liable for a portion.

Mark L. stated that the NRPC plan is almost complete. He said that the town will completely rebuild Witches Spring Rd. and modify the intersection with S. Merrimack with separate left turn/right turn lanes to increase sightlines. He added that PSNH will relocate the telephone pole that obstructs the view to the south and the town will smooth out the dirt mound to also increase visibility.

Tammy F. and Chris H. expressed concerns with the two lanes and obstructed visibility for those making a left turn.

Mark L. replied that the highway safety committee, Reggie Ouellette, DPW, and police chief were working on the design.

Mark L. added that Pine Hill would be completed.

Chris H. stated that Farley Rd. is in need of attention.

Tom G. asked for an update regarding the NRPC road rebuilding plan.

Deb P. replied that the updated plan should be ready in October.

Tom G. asked who is redesigning the intersection at Witches Spring and S. Merrimack.

Mark L. replied Reggie Ouellette is the project engineer and the highway safety committee has also been consulted.

Mark L. stated that the Communication Center Services payments are quarterly and are on schedule.

Mark L. stated that the police department is now fully staffed, however there will be a minor overtime because the new hires are attending the academy.

Tammy F. asked about repainting the sign in front of the Farley Building. Mark L. advised her to consult the Historic Commission.

There was a discussion about including an informational note with the tax bill. Tammy F. and Darlene M. will coordinate the effort to submit a proposed notice.

Peter Baker requested ideas on how to inform the public about different town functions.

Tom G. suggested having a booth at Old Home Days.

Tom G. recognized a Boy Scout troop attending the meeting and asked if they had any questions. One person inquired about the condition of Cavalier Way and if repairs were scheduled.

Darlene M. replied that this road is maintained by the Coop.

Kelly S. replied that no plans currently exist but it would be addressed in the future.

School Report:

Kelly S. stated that revenues and expenses show an improvement over the prior month (\$45K) due to a reduction in transportation costs for special education students. She hopes by year end \$100K will be returned to the taxpayers.

Chris H. asked if the retained fund balance is fully funded.

Kelly S. replied that the unreserved fund balance is expected to be \$343K, which will be used to fund the water system trust, maintenance trust and retained fund balance. It is not currently fully funded and that she would need to find out the current amount. She added that 2.5% is the limit.

Mike H. asked if the contingency fund is unspent.

Kelly S. replied yes.

Chris H. asked Tammy F. if HSB had considered an amount on which they will vote.

Tammy F. replied that HSB relies on the advice of the business administrator's office and that the maintenance and water system trusts have removed some pressure from using the retained fund balance. She added that the \$152K balance will most likely remain as is.

Mark L. asked about a report on infrastructure grants which shows grand total costs of \$431K, of which \$345K is a state grant, leaving a balance of \$86K in district costs – noting that only \$31K is budgeted for HSD.

Kelly S. clarified that the report covers all of the SAU41 and includes the Coop and Brookline.

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There was a discussion about a security grant that may be available. Items covered under the security grant include cameras, fire safety doors, and improvements that pertain to security enhancements. HSTEP does not qualify.

Tom G. stated that discussions pertaining to HSTEP and the revenue estimation process will take place at next month's meeting.

Tammy F. replied that HSTEP information is delayed until June because HSD is still accepting bids and unresolved engineering issues remain.

Mark L. asked what has been spent to date.

Tammy F. replied \$1.8M out of \$2.8M total budget. She added that HSD has received solar and propane rebates but the use of these funds has not yet been decided and is not reflected in the budget.

Mark L. asked for the interest rate.

Tammy F. replied 2.2%.

Tom G. stated that revenue estimation is an important component of the guidance calculation and an overview of the process will be discussed at June's meeting.

Chris H. asked for the timing of the audit and when the report will be available.

Kelly S. replied that the audit for the 2017-2018 fiscal year is currently available.

Other Business

Mark L. stated that Scott Marsh of Municipal Resources indicated that property valuations will increase 12%-15% for the 2018 tax year as a result of the reevaluation. This could increase the tax base \$200M to \$1.4B.

Tammy F. inquired about building activity.

Mark L. replied that most of the building is occurring in more visible areas. He added that a minimal amount of land has been removed from current use so far but anticipates more in the next few months.

Tammy F. acquired historical town reports at the Beaver Brook Barn Sale and read a few passages from older town reports for levity.

Motion to adjourn was made by Mike H. Tammy F. seconded. Meeting was adjourned at 8:16 PM.

Respectfully submitted,

Christina Winsor, Tax Collector