



BUDGET COMMITTEE

Town of Hollis

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Minutes of January 8, 2019

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, Mike Harris, Chris Hyde, Mike Leavitt, Mark Ledoux – Selectman, Darlene Mann, Tammy Fareed – School Board Rep

Others present: Kelly Sealy – SAU41 Business Administrator, Rob Mann – Hollis School Board, Dick Henry – Hot Zero LLC, Eric Ryherd – Energy Committee

Pledge of Allegiance was recited.

2nd Review of FY20 Budget:

Tammy F. stated that the proposed budget will be under guidance. She added that there would be warrant articles for a feasibility study for the barn on Lund Lane and also for the professional and support staff collective bargaining agreements. Chris H. asked for the contract length of the CBAs.

Tammy F. replied 3 years.

Mark L. asked how the CBAs would impact the FY20 budget.

Chris H. replied that the first-year impact is \$196K for professional staff and \$51K for support staff.

Kelly S. stated that \$12K was removed for a school nurse position and that this money will be applied toward day tanks.

Warrant Articles:

Kelly S. stated that the Maintenance Trust warrant article was reduced by \$17K to \$120K.

Tom G. asked about additional HSD warrant articles.

Tammy F. replied that HSB decided to fund the Special Education Trust at \$25K.

Tom G. asked how funds would be expended from this trust.

Kelly S. stated that the plan is to continue requesting funds each year until the \$280K cap amount is reached. She added that the funds will be used for unexpected expenses, such as an influx of students requiring services or a new diagnosis that occurs after the budget is set.

Chris H. clarified that each district under SAU41 has a separate Special Education Trust.

Tammy F. reviewed Article 3, which requests \$38K to ascertain the feasibility of converting the barn at Lund Lane into workable office space for SAU41 administrative staff.

Mark L. asked if the space, when renovated, will be enough for all staff on a long-term basis.

Tammy F. replied that if the staff outgrows the space, the asset would be saleable.

There was a discussion about the future growth of the staff and the possibility of using other assets in town, such as the Farley Building.

Tom G. asked for clarification regarding the three phases of the renovation and asked when the second two phases would occur.

Tammy F. stated the first phase requests \$38K for feasibility, and the second two phases would request funds at subsequent town meetings for implementation.

Tom G. asked for clarification regarding the \$41K listed in the second two phases.

Rob M. replied that the study will take three years.

Mike H. stated that the feasibility study will require \$79K before a bond to complete the project could be proposed.

Tom G. stated that this project is a good candidate to aggregate in with other large expenditures for bonding. He expressed concern that the project would be starting too far out in the future.

Darlene M. clarified that design development (\$21K) and construction documents (\$19K) will only occur if the project is determined to be feasible and HSB decides to move forward.

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Tammy F. stated that warrant article to fund actual construction is anticipated for FY22.

There was a discussion pertaining to the timing of the project and when actual construction would begin.

Mark L. stated that the FY19 warrant article should also include the costs for design and construction documents.

Rob M. stated that HSB would take this input to the SAU superintendent and would revise the warrant article.

There was further discussion regarding the timing of the project and the importance of being ready to present an article to begin construction (should the project be deemed feasible) for FY21.

HSTEP Update

Dick H. reviewed the scope of the project which included installing solar arrays, new boilers, gap sealing, updating electric systems, air source heat pumps, and heat recovery ventilation.

He stated that the project proposal was based on estimates from 2016, however labor and material costs had significantly increased by the time construction began in 2018.

Dick H. stated that LED lights, phase change materials, and 7 classroom air source heat pumps/heat recovery ventilation in HPS were omitted. He added that non-monetary benefits include reduced noise levels, natural light and increased wall space.

Dick H. suggested monitoring future utility bills and building performance via data loggers in each classroom to enable an accurate before/after comparison of the project's cost and consumption improvements. He stated he was not yet able to quantify the amount of savings because the project was only completed 30 days prior. He added that at least a year of post-project data is necessary for meaningful analysis.

Dick H. stated that the solar panels are producing a little more than expected for an annual savings of \$39.6K, and the new insulation has significantly reduced oil demand.

Dick H. explained that electric demand charges are based on a peak usage amount at any given time and that one spike in demand affects the rate per kilowatt charge for the entire month.

Mark L. suggested installing batteries that could offset the demand during peak times so the per kilowatt charge is not affected.

Dick H. stated that he and Eric Ryherd are considering software, timing, and battery solutions.

Eric R. added that they planned to isolate the source of the energy demand spike in the building.

Dick H. stated that the next steps include installing LED lights, for an additional 15% savings, and adding more solar panels.

Mike H. asked about phase change materials.

Dick H. replied that it was tested in 2 classrooms and that once the boilers were replaced and other issues in the building were addressed the heat fluctuations weren't enough to produce significant savings.

Tom G. asked what items could be included in a potential bond that may be proposed for FY21 to encompass several larger items.

Dick H. replied that HSB should solicit bids in fall 2019 for construction in summer 2020 that are contingent on the vote at the 2020 Town Meeting.

Tom G. asked for more detail regarding the \$73K energy line item in the FY20 budget.

Dick H. stated that there isn't enough information to accurately predict future costs given that there are only 3 heating oil bills to use for analysis and future temperatures are not known.

There was a discussion regarding realized savings versus what is anticipated for the FY20 budget.

Dick H. stated that the project resulted in a 60% reduction in consumption and 25% reduction in cost.

Other New Business

Tom G. suggested that Warrant Article 3 regarding the feasibility study of the barn at Lund Lane be finalized and adopted by HSB prior to the BudCom meeting on January 29th. This would give BudCom the opportunity to discuss the article prior to the BudCom Public Hearing on February 5th.

Motion to adjourn was made by Mark L. Chris H. seconded. Meeting was adjourned at 8:53 PM.

Respectfully submitted,

Christina Winsor, Tax Collector