



BUDGET COMMITTEE

Town of Hollis

Seven Monument Square
Hollis, New Hampshire 03049
Ph. 465-2209 Fax 465-3701

Minutes of December 9, 2019

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Tom Gehan at 7:07 PM.

Members present: Tom Gehan, Chairman; Mike Leavitt; Darlene Mann; Mike Harris; Mark LeDoux, Select Board Representative; Carryl Roy, School Board Representative

Members not present: Excused absences for Tom Jambard and Chris Hyde

Others present: Select Board Members: Peter Band, Susan Benz, Frank Cadwell, David Petry; Rachael Gosselin, Finance Officer; Lori Radke, Town Administrator; Joseph Hoebeke, Police Chief

Pledge of Allegiance was recited.

Review/Acceptance of Meeting Minutes

November 12, 2019 Draft Budget Committee Minutes

MOVED by Mike Harris to accept the minutes as presented, seconded by Mike Leavitt. Voting in favor of the motion were Tom Gehan, Mike Leavitt, Carryl Roy, Darlene Mann, Mike Harris, and Mark LeDoux. The motion PASSED 6-0-0.

Anticipated Town Warrant Articles

Article 1 – Officials Report

M. LeDoux stated this is the standard article to hear officer and committee reports.

Article 2 – Subdivision of Homestead Structure and Lot

M. LeDoux presented the subdivision of homestead structure and lot, explained that this article spells out what the town attempted to achieve last year with the carve out of the Stefanowicz property. The town has interested buyers, but without town authority to make it its own legal lot, they are unable to perform a transaction. There is no substantial cost associated with this.

T. Gehan asked if the Stefanowicz land has been surveyed and if the definition of lot has occurred yet.

L. Radke confirmed they are in the process of securing surveyor services and it will be done prior to finalizing the warrant article.

C. Roy inquired as to location of the well and asked where the money from the sale will go.

M. LeDoux advised the current well will be part of the subdivided lot. Said that the funds received will go to reduce outstanding debt on this property, or use it in general fund to pay a principle component of the debt.

C. Roy suggested this information be detailed in the presentation to address these questions.

Article 3 – Athletic Field

M. LeDoux explained that this request is in consultation with the Recreation Committee to do testing, in order to identify if the land behind DPW on Muzzey Rd is a suitable area for athletic fields.

Estimated cost is \$49k to be raised by taxation.

C. Roy inquired what the cost will be moving forward if the land is found to be suitable.

M. LeDoux said estimate is \$300-650k, however it is hard to know without the engineering data.

T. Gehan asked if this data will be available when the testing is complete.

D. Petry replied yes, that is the plan.

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T. Gehan and *M. LeDoux* discussed suitable funding.

Article 4 – Petition Article for Veteran's Tax Credit

M. LeDoux explained that RSA 72:28 allows towns to modify the veterans property tax credit from existing \$500 per annum to \$750. Should it pass the credit would take effect in tax year beginning April 2020. According to assessing there are just under 340 eligible veteran tax credits totaling \$169,500, if the credit amount increases, the total increases to \$254,250.

Article 5 – DPW Loader Lease Purchase

M. LeDoux detailed the request for lease/purchase of a new loader, which would replace a 2005 loader. Estimated cost of \$170k. 1st year payment \$18,155, 2nd full year through end of cycle is \$36,310.

M. Harris inquired about interest rates.

R. Gosselin stated that they are currently between 2- 3.5%

Article 6 – DPW Chipper Lease Purchase

M. LeDoux explained this would replace a 1991 disc style chipper.

Estimated cost is \$73k. 5 year lease, 1st year payment \$7,810, 2nd full year through end of cycle is \$15,620.

Article 7 – Emergency Management Message Board

M. LeDoux stated that the Emergency Management group has requested a new message board.

Estimated cost is \$20k. Working on securing state grant to match town contribution of 10k. Includes radar and data collection which helps to log and count traffic and speed data.

Article 8 – Collective Bargaining Agreement, Local 1801

M. LeDoux told the board they had successfully achieved 2 new union contracts.

This CBA has a 3 year proposed impact of \$44,700.

1st year impact of \$21,500; 2nd year impact of \$17,700; 3rd year impact of \$5,500.

Negotiations included the removal of one day of PTO, employee health insurance contribution increase of 2.5% for Luminos, and 2% for Blue Choice. Made modification to wage scale of 5% effective 2020.

T. Gehan asked for clarification on the health insurance percent increase.

R. Gosselin stated that the employee contribution for Blue Choice was at 25% and is increasing to 27%, for Luminos the employee contribution was at 5% and is increasing to 7.5%.

Article 9 – Collective Bargaining Agreement, Local 3657

M. LeDoux explained the impact of non-competitive wages on employee longevity. Provided comparable hourly pay for neighboring communities to show disparity.

This CBA has a 3 year proposed impact of \$308,445.

1st year impact of \$66,630; 2nd year impact of \$114,990; 3rd year impact of \$126,825.

M. LeDoux detailed the varying department wage scale adjustments for each year. Negotiations included increasing the education reimbursement budget by \$2k, increasing the family plan health insurance buyout from \$6k to \$8k, providing military PTO of 10 days to a maximum of 5 different employees, removing 1 day PTO, and adding a stipend of \$1k for evidence custodian.

T. Gehan, M. Leavitt, J. Hoebeke, M. Harris, F. Cadwell, D. Petry and *M. LeDoux* discussed potential outcomes if an agreement is not reached.

D. Petry suggested creating a new slide to provide that additional information.

T. Gehan stated that the board needs to be conscious of how they describe the incremental cost, so as not to overstate the expense of the CBA.

Article 10 – Old Home Day Special Revenue Fund

M. LeDoux explained this is a pass-through account and will have no impact on taxes.

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Article 11 – Compensated Absences Payable Expendable Trust Fund

M. LeDoux explained this has no tax rate increase and will be funded by unassigned fund balance excess.

Article 12 – Revaluation Capital Reserve Fund

M. LeDoux explained this costs about \$50-60k every 5 years, next full review scheduled for 2023.

Raise and appropriate \$14k, no tax rate increase, funding to come from Unassigned Fund Balance.

Article 13 – Municipal Buildings & Facilities Maintenance Expendable Trust Fund

M. LeDoux stated the current balance is \$219,400 which will cover anticipated repairs in 2019 alone.

Raise and appropriate \$100k, no tax rate increase, funding to come from Unassigned Fund Balance.

Article 14 – Contingency Fund

M. LeDoux said if this fund is not utilized it rolls over into Unassigned Fund Balance. This is used to cover unanticipated expenses that are incurred throughout the year.

Raise and appropriate \$70k, no tax rate increase, funding to come from Unassigned Fund Balance.

T. Gehan asked if the contingency fund was used this year.

R. Gosselin stated yes, once for cemetery for \$21k, and once for \$10k to legal for personnel expenses.

Article 15 – 2020 Operating Budget

Raise and appropriate \$11,117,261 which represents the operating budget of the town, not including appropriations by special warrant articles and other appropriations voted separately.

Major increases in operating budget: Proposed salary increase of 2.8%, Fire Department Capital Lease increase of 36%, Souhegan Landfill increase of 13% (town does not have control over this cost), Workers Compensation increase of 9.8%.

Major decreases in operating budget: Long term debt decrease of 25%, DPW Financed Equipment decrease of 24%, Life & Disability Insurance decrease of 12%, Retirement decrease of 2%.

Input and discussion from *M. LeDoux*, *M. Harris*, *T. Gehan*, and *R. Gosselin*.

M. LeDoux reviewed the town's tax rate estimate comparing proposed FY2020 to FY2019

Proposed Operating Budget decrease of 0.36%, Warrant Articles decrease of 80%, Revenues decrease of 2%, Fund Balance increase of 8%, Unassigned Fund Balance to offset Tax Rate decrease of 45%, Overlay & War Service Credit decrease of 0.3%. Reviewed Unassigned Fund Balance from 2006 to present, the town anticipates exiting this year with \$3.7mil unassigned fund balance.

T. Gehan inquired about the final PSNH/BTLA settlement agreement.

M. LeDoux stated that \$475k will be paid back over 6 payments, and the first payment has already been made.

Questions and discussion from *M. Harris*, *T. Gehan*, *L. Radke*, *D. Petry*, *R. Gosselin*, *C. Roy*, and *M. LeDoux*.

T. Gehan requested an electronic version of this presentation and the budget in Excel from Rachael.

T. Gehan spoke with Darlene after last meeting to see if the board had set a number on their assumption for the tax base increase. Realized they had discussed it but never set a number. In prior years 0.50% has been used, however was thinking about increasing to 1% in forecasting for next year.

T. Gehan asked, with respect to this past year and the change in assessed values, how much is attributable to new construction as opposed to just increases in property value.

D. Petry suggested the board get the value of new construction and the number of permits issued for new construction.

Discussion and input from *M. Harris*, *D. Mann*, *M. LeDoux*, *R. Gosselin*, *F. Cadwell*, *D. Petry*, and *T. Gehan*.

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Capital Improvement Plan

T. Gehan asked if there is an anticipated incremental cost with changing the methodology for treating gravel roads in the coming year.

M. LeDoux stated that learning of the gradation of the gravel and clay used to rehabilitate dirt roads has been beneficial to the management. He has not spoken with DPW Director Todd Croteau, but presumes that he has addressed these issues within the proposed budget.

Discussion by *R. Gosselin, M. Harris, T. Gehan, and M. LeDoux* regarding the road budget.

Collective Bargaining Agreement (CBA) Meeting

T. Gehan said that in light of a conflict on Jan 28th, suggests dedicating a joint, single-purpose meeting on Jan 13th to discuss the CBA. Additionally, a second town budget review meeting was previously scheduled for January, however the board agrees to cancel the previously planned second town budget review as it appears unnecessary.

T. Gehan will send an email out to the Budget Committee confirming availability for January 13th.

Discussion by *M. Harris, T. Gehan, M. LeDoux, C. Roy, and L. Radke*.

Update: Hollis Brookline COOP Apportionment Special Meeting

Hollis Brookline COOP will have special apportionment meeting, which is tentatively scheduled for Jan 29, 2020.

T. Gehan described the history of changes to apportionment. COOP school board is proposing they have a special meeting to make a material change to the apportionment formula in an effort to freeze it for another 5 years.

Discussion and input by *D. Mann, M. LeDoux, T. Gehan, and P. Band*.

Adjournment

MOVED by Mike Harris, seconded by Carryl Roy that the Budget Committee adjourn the meeting. Voting in favor of the motion were Tom Gehan, Mike Leavitt, Carryl Roy, Darlene Mann, Mike Harris, and Mark LeDoux. The motion PASSED 6-0-0.

Meeting adjourned at 8:19pm

Respectfully submitted,

Camila Devlin, Tax Collector