

BUDGET COMMITTEE

Town of Hollis

Seven Monument Square

Hollis, New Hampshire 03049

Ph. 465-2209 Fax 465-3701

FINAL Minutes of June 9, 2020

Minutes approved on July 14, 2020

Meeting was held in the Community Room, Hollis Town Hall.

Zoom Meeting information, including URL and ID are available on the agenda for those who would like to video or phone in.

The Budget Committee was called to order by Tom Gehan at 7:01PM.

Members present: Tom Gehan, Chairman; Mike Harris; Darlene Mann; Mike Leavitt; Tom Jambard; Carryl Roy, School Board Representative; Kelly Sealy, SAU Business Administrator; Darlene Mann, School Board Representative; Mark LeDoux, Select Board Representative; Rachael Gosselin, Finance Director;

Members not present: Chris Hyde

Pledge of Allegiance was recited.

T. Gehan asked if there were any changes anyone would like to make to the agenda, but there were none.

Review/Acceptance of Meeting Minutes

Draft Budget Committee Minutes – May 12, 2020

MOVED by M. Leavitt and seconded by D. Mann. The motion PASSED 6-0-1, with M. Harris abstained.

No public members called or zoomed in, so T. Gehan will close public input.

M. LeDoux stated that R. Gosselin sent all members the current expenditures. Some are higher than others, but they're due at the beginning of the year so they will be accounted for appropriately. He stated that it will be interesting to see how tax bills go due to COVID-19, but we're already getting payments in. Those who were effected by COVID-19 may affect where we stand with payments, but we'll know more by the end of July. He is hopeful since historically we get 98-99% of payments relatively on time.

M. LeDoux also noted that a few warrant articles will be tabled or withdrawn by the selectmen by request of the DPW Director – a chipper and a loader. This will have a positive impact on the overall expenditures.

We have received back the audit report. There were a few minor comments and we're addressing those with the auditors. One is for the receipts for notary fees and the rest were all small issues. M. LeDoux will sign on behalf of the Select Board once the report is all corrected.

M. LeDoux said that the plan is to continue with town meeting on June 20th with masks and disinfectant. They can easily fit 470 people in the gym with social distancing. Dawn (IT Director) is working with the school to make sure everything is all set. They have called and written Governor Sununu to see if he has any issues with town meeting, but we have not received a response. The moderator, as well as department heads, feel it's time to have a meeting. M. LeDoux hopes to keep it a short meeting by combining several warrant articles, but the tax payers have a right to segregate them if they wish. Those articles that do not have an economic impact, for example those from the Undesignated Fund Balance, will all be rolled together since they won't affect taxes. The three big issues are the budget and two labor contracts that need ratification. They are also seeking to ask petitioners to table their petitions until next year due to COVID-19. If SB2 petitioners would like to present, it will be item one because it requires a one hour statutory vote which will allow people at home to participate. There was talk about doing drive thru voting, but the moderator was not in favor. The Select Board will see if there is a way to do it though. M. LeDoux mentioned that he was impressed by how the COOP did their meeting with drive thru voting. Currently town meeting is scheduled from 10am on June 20th, and M. LeDoux is hoping to be done by noon. If the Governor comes back and says they can't hold town meeting on that date, it will be held on July 18th.

T. Gehan agreed that the COOP meeting went very smoothly and the vote counts came back as they had with voters in previous years. D. Mann stated that there were just shy of 1400 people that voted between the two towns. She will be sending out results after the meeting. Hollis and Brookline residents voted at different locations because that simplified holding the voter rolls in one place. The moderator then mixed all ballots together so there was no way to figure out how one town voted vs. the other. There were about 580 registered voters from Brookline and 810 voters from Hollis.

C. Roy stated that everything went well with voting, but there was some concern in the deliberative session about the impact on the Hollis school district and the Brookline school district if the SAU budget didn't pass or was delayed, but all is well so they can continue moving forward with zero impact to the school districts. The energy project is ongoing and they got a good interest rate for it at 1.82%.

The last day for remote learning is June 5th for Hollis Primary and HUES, and June 12th for the high school. Teachers and staff will be available virtually until June 19th. Everything went well for remote learning, and schools are trying to figure out a way to recognize the students who are moving up.

K. Sealy stated that the financial report is not complete, but it's basically just the same list as she mentioned last meeting. The HSMART project is ongoing with the installation of LED lights.

D. Mann asked if K. Sealy is considering any advance purchases of PPE for the next school year. K. Sealy said it's hard to anticipate for the next school year, but they are currently purchasing PPE and trying to find the best prices for the products. FEMA will be continuing with some of the opportunities for school districts, and K. Sealy will be picking up their first order of masks and PPE.

T. Jambard asked what happens with the school bus contract in this situation, to which K. Sealy replied that they have come to an agreement to pay 55% of the total for May and June.

T. Jambard asked if there is a possibility of in person school in the fall. D. Mann replied that it would be ideal and the SAU is preparing for all possibilities. K. Sealy said they have plans, but that can change and they will be prepared for any changes necessary. They will have one plan and two contingency plans.

The good thing is they will now be more prepared should any remote learning have to happen in the future. D. Mann stated that with students not being in the building since mid-March, an incredible amount of work is getting done such as bleachers being repaired, walls painted, and floors replaced. T. Jambard asked if the school board will do an evaluation about remote learning and D. Mann replied that she is pretty sure they will be discussing it at the school board meeting next Wednesday then the SAU governing body meeting during the last full week of June. She will keep the committee posted.

T. Gehan asked if the data from the survey sent out to parents will be cut at a district level for review. D. Mann replied that she hasn't heard either way but she will try to get those results. The survey was from the DOE, so she's not sure if they will share the district information.

New Business

M. LeDoux has been looking at the interest rate cycle and the ten year money rate is around .75-.83%. R. Gosselin and M. LeDoux have been looking at refinancing bonds. The current total is about \$7,000,000 and some are at 1.1%, but \$3,000,000 is at 3.5%. The prepayment penalty drops precipitously in August 2020 and the thought is to get a better rate with a private bank. If you save 200 basis points (2.5%) on a refinance, M. LeDoux estimates we will save about \$250,000 for tax payers.

R. Gosselin spoke to Steve Masseroni from PFM and he calculated the Century Bank portion and is working on the TD Bank portion. The Century Bank bonds are \$104,000 in savings after we pay all fees. We would look at a 10 year paper cycle on the TD Bank amounts, which is about \$300,000. The interest rates would go way down. M. LeDoux doesn't know of any bond indebtedness to the town in this next cycle with 33-34% of the town already put away in conservation. The Conservation Commission has between \$700,000-800,000 in the fund because tax payers last year authorized the Land Use Change Tax receipts to go entirely into the Conservation fund. They are in discussion with a very substantial piece of land owned by 2 gentlemen without heirs so there is hope of doing a transaction there but it will not require bond indebtedness. We will need to rethink what long term expenditures we may have. The board is open to suggestions on what we should be doing with the Farley building. M. LeDoux thinks it needs to be taken down and re-erected. Some options may be to have staff there, a senior center, or additional classrooms for gifted children. M. LeDoux thinks we need to act quickly before interest rates aren't so low.

T. Jambard asked if the schools are looking to refinance. K. Sealy said they just did for the COOP for the turf field bond and the school board will be looking at the results at the next school board meeting. They have two bids – one for 2.43% and one for 2% - but we currently have 3.8% interest rate. Interest rate for HSTEP is 2.8%.

Motion to adjourn by M. Harris and seconded by M. LeDoux. The motion PASSED 7-0-0.