

BUDGET COMMITTEE

Town of Hollis

Seven Monument Square

Hollis, New Hampshire 03049

Ph. 465-2209 Fax 465-3701

FINAL Minutes of November 10, 2020

Approved December 7, 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 7:00PM.

Members present: Tom Gehan, Chairman; Mike Harris; Mike Leavitt; Tom Jambard; Chris Hyde; Carryl Roy, School Board Representative, Mark LeDoux, Select Board Representative

Members absent: Darlene Mann (excused absence)

Officials present: Rachael Gosselin, Hollis Finance Director; Kelly Seeley, SAU41 Business Administrator

Pledge of Allegiance was recited.

Review/Acceptance of Meeting Minutes

Draft Budget Committee Minutes – October 13, 2020

MOVED by M. Harris and seconded by M. LeDoux to accept the minutes as written. The motion PASSED 6-0-1 with T. Jambard abstaining by rollcall vote.

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

Reports

T. Gehan has sent out the final version of the town reports. He asked if anyone had questions on the report in terms of expenditures. M. LeDoux stated that the only thing where there were significant increases that don't have direct supervisory control by department heads are the solid waste disposal cost, which is set by district, and the NHPRS modifications, which have greatly increased the pension contributions by the tax payers. The town also approved the refinancing of the bonds to secure a 2% rate, so there is an increased expenditure of around \$46,000 budgeted since we're paying off principal more quickly. The town will be seeking relief from guidance of about \$54,000.

T. Gehan asked if the \$0 for meals and room tax is a timing thin and R. Gosselin replied that it is not received until December, but she doesn't expect any dramatic rate cuts. It would be next year that there could be a possible reduction. M. LeDoux stated that since there has been an impact on travel and entertainment industries due to Covid, we don't know what the meals and room tax will be. The state runs on a different fiscal year, July to June, so only a few months were effected by Covid.

T. Gehan said that the Assessing contracts seemed high, and R. Gosselin replied that we book a journal entry at the end of the year to take money from the Reval fund to supplement about \$13,000. T. Gehan stated that Fire Department overtime is up, but salaries are down. R. Gosselin replied that we are expecting to receive about \$6,000 from FEMA for Covid expenses, and there is an open position within the Fire Department so they are most likely making up for that. She also stated that they are on par for last year, but a bit higher due to Covid expenses. T. Gehan brought up that there was a large expense for the DPW truck repair. R. Gosselin replied that we should have more than enough money to cover it.

T. Jambard asked if there was an increase on the Police budget due to adding an employee. T. Gehan replied that we will have an increase because of an additional position funding by a grant. M. LeDoux stated that those are attributable to the additional resource officer.

T. Gehan discussed the final guidance spreadsheets. He stated that the town and school have both requested relief for expenses. He has made an adjustment to the multiplier for salaries for the schools, and on the town side, the preliminary guidance that was voted last month of 0.8% translates to 0.59% after the adjustment. NH Health insurance and retirement are going up significantly for the coming year. If they were to adopt this final guidance, the year over year increase on the operating budget would be just over \$300,000. Some of that is due to the increase in the principal payments on bonds.

M. Leavitt questioned if, in regard to the debt service, if the increase is a one-time thing, to which T. Gehan replied that net effect is an increase but the bonds went down. We do take a hit by paying more principal but the lower interest rate will save us \$316,000.

MOVED by M. Harris and seconded by M. Levitt to adopt the budget guidance for the town as presented. The motion PASSED unanimously 7-0-0 by rollcall vote.

For the school guidance, T. Gehan pointed out that last month the board approved the .08% increase. The relief request is related to unusually large amounts of retirement payment, with the request being just under \$200,000. The request for relief is capped at the overage on guidance, so they have requested \$93,781 which will bring the preliminary FY22 Hollis School District into guidance.

C. Hyde questioned if on the assumptions of the budget, what is the model expectation for full time, back to normal teaching or possibly hybrid? C. Roy replied that she would love it to be back to normal, but it's hard to predict next fall since a lot of it isn't in their control. She doesn't believe that any form of modality would change the budget since they're still paying their teachers. K. Seeley stated that they are budgeting for FY22 as if it was a normal, in person only, school year. The transportation portion has resulted in a flat budget because the transportation company has redone their routes.

T. Gehan stated that last year, they saw a significant increase in Special Education costs, which is outside of their guidance because it's highly specific to the needs of students. This year, they are projecting a decrease in the Special Education costs due to students moving up to a new school.

MOVED by M. Harris and seconded by M. Levitt to adopt the budget guidance for the Hollis School District as presented. The motion PASSED unanimously 7-0-0 by rollcall vote.

C. Roy mentioned that students were able to switch their modality, and a few did switch from remote to in person. It is still very close to the 70/30 split as before.

The lighting project is complete at HPS and about at 90% complete at HUES.

The Covid funding coming from the state will be coming in at \$200 per student, totaling \$124,200. K. Seeley has been managing this money and will be keeping records to prove it was spent for the intended

purpose. K. Seeley mentioned that there is a second pool of money that they can apply for if they find the expenses are more than what they receive, but she doesn't believe we will need to. M. LeDoux mentioned that since there are a lot of teachers who are remote staffing, so we are paying non-teachers a total of about \$80,000 to monitor the rooms. He hopes the COOP Budget Committee will work with the COOP school board to seek state funding. K. Seeley replied that the funds can only be used through December 30th.

C. Roy stated that the school district would like to renovate 4 Lund Lane, but needs a long term lease signed before they can move forward. It has been noted that it would be part of the bond that if the lease isn't signed, the bond would not go forward. The build of the lease will increase incrementally for ten years. The school district is perusing this and will be reporting more at the next meeting. T. Gehan asked if the school district will bring forward a bond again this year and C. Roy replied that it's being considered.

M. LeDoux commented that he has called for a public hearing on November 30th at 6:30pm, which will also be available on Zoom, for input on what to do with the Farley building. They have a donor willing to donate \$500,000 if we relocate a school project to that location. He would like invite the public to share some thoughts since this offers another opportunity to possibly move the SAU to that location.

C. Hyde stated that we should have the lease be the same amount of time of the bond. For instance, if we do a 20 year bond and a 10 year lease, the lease back should cover the rest of the time so we're covered for the length of the bond. C. Roy stated that the bond will be a minimum of 10 years for that reason.

The next Budget Committee meetings are December 7th and 8th.

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