

BUDGET COMMITTEE

Town of Hollis

Seven Monument Square

Hollis, New Hampshire 03049

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FINAL Minutes of 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; Carryl Roy, School Board Representative, Mark LeDoux, Select Board Representative, Darlene Mann, School Board Representative

Absent: Chris Hyde

Officials present: Rachael Gosselin, Hollis Finance Director; Kelly Seeley, SAU41 Business Administrator; Susan Benz, Select Board; Peter Band, Select Board; Lori Radki, Town Administrator; David Petry, Select Board

Review/Acceptance of Meeting Minutes

Draft Budget Committee Minutes – November 10, 2020

MOVED by M. Harris and seconded by M. LeDoux to accept the minutes as edited by Darlene Mann. The motion PASSED 7-0-0 by roll call vote.

Public Comment

Joe Garruba of 28 Winchester Drive stated that the 2021 Planning Budget includes \$33,000 for contracted services, which he presumes represents the cost paid to the consulting town planner. In 2019, the town had hired Evan Clements as a full time staff member in the Planning Department. J. Garruba recommends that the board consider removing the planning consultant line completely since the role is now duplicated by the in house staff. T. Gehan stated that they will discuss this more when they get to that part of the budget.

No other public members were present or on Zoom, so T. Gehan will close public input.

R. Gosselin stated that we are currently at 83% expended, which seems to be on track. T. Gehan questioned the \$49,000 that was authorized at the past Town Meeting for the athletic field study. R. Gosselin stated that she will have the test results with an invoice soon, but doesn't believe it will go further than that this year. This is a lapsing warrant article and depends on the result of the drilling. D. Petry stated that an update will be given at the 12/8/20 meeting.

R. Gosselin stated that revenue is coming in as expected and they're just waiting on the meals and room tax, which normally comes in in December.

T. Gehan noted that \$53,717 in relief from guidance was mostly due to an increase in NHRS rates, which R. Gosselin noted was due to an \$114,000 increase. D. Petry stated that the major increases to the operating budget include a 15.5% change to retirement, 18% change to the long-term debt principal (as a result of the bond refinance), 2.28% change to salaries, and 10% change to the Souhegan Landfill. The major decreases for the year include 100% change to the Transfer Station Manager, a 22% change to Long-Term Debt Interest, a 31% change to DPW – financed equipment, and a 15% change to workers comp insurance. T. Gehan asked if the position of the Transfer Station Manager was eliminated or just on hold, but M. Harris stated that since Joan Cudworth moved up to DPW Director, the position was eliminated for now, but could be brought back in the future. They will keep it in the budget by putting it in for \$1, but will see if they can manage without the position.

M. Harris asked J. Cudworth for the plan for the roads, to which she replied she tentatively has the following street, Truell, Sargent, Moorhill, Eastman, Orchard, and Blackoak, will have an overlay. Arbor Lane is something to take a look at this year, but she is not sure if this will be an overlay or a regrind. There are quite a few roads that need crack sealing.

T. Gehan stated that the biggest increases are salaries and retirement. He stated that he would like to discuss the issue brought up during public comment about the Planning Department. D. Petry stated that the town has a Town Planner and an Assistant Town Planner. The town has gone back and forth between if it should be a full time staff member or a contracted service. The two positions have always been in the budget, so there was never a plan to remove the Town Planner position in lieu of the Assistant Town Planner. He also stated that the Planning Department is extremely busy right now, so it is not right to eliminate the Town Planner position, then expect the Assistant Town Planner to take on all the work. He would not recommend the changes brought up during public comment.

T. Gehan noted that by using contract services instead of in house staff, we can avoid employee retiree costs. If the town were to hire the Town Planner full time as an in house employee, the budget amount allotted for this position would be doubled.

R. Gosselin stated that the revenue for building permits is up \$30,000.

T. Gehan mentioned that there is an increase in cemetery, which R. Gosselin stated comes from their Trust Fund. We are taking over another section, which is currently farm, of the East Cemetery.

M. LeDoux stated that the town needs to remedy the DPW building that had the explosion, which will be put in as a warrant article for tax payer consideration. He stated that the meeting about the Farley building was well attended and the conclusion was that the town needs to reactivate the committee to figure out the cost to fix or tear down and rebuild the building. No decision has been made since more data is needed. An individual offered to donate \$500,000 for the restructuring of this building as long as it's for the purpose of education. The goal is to have a revolving fund in order to accept private donations. The current plan is to take the old report and update it, but it's too early to see if anything else will be asked for this year.

R. Gosselin stated that three bonds will be paid off in 2025, 2027, and 2030, respectively. In the CIP budget, there are three cruisers (over three years), the Communications console equipment (over five

years), and DPW building renovation. In 2022, there is a proposed dump truck for DPW in the CIP budget. The cruisers and the Communications equipment will be brought in as a warrant article.

DPW Building Renovations

D. Petry stated that there are a few different options based on renovation costs. The DPW building currently doesn't meet safety standards for employees, electrical and fire safety are not up to code, among other issues.

Option 1: renovate current building, add Morton office building, and 5 bay garage, with an estimated cost of \$554,147. This option would garage more pieces of equipment. The numbers do not include upgraded electrical and renovating bathrooms.

Option 2: Renovate current building, add Morton office building, at an estimated cost of \$246,147. The numbers do not include upgraded electrical and renovating bathrooms.

M. LeDoux stated that when you're dealing with chemicals, OSHA, etc., the bones of the current DPW building are fine, however the easiest way to remedy this situation is to build a building over the building and utilize the permitted functions that already exist and upgrade the spaces for personnel, as well as electricity. Building a separate office building and 5 new bays would then give a comprehensive DPW campus for build out. He believes this is anticipating the future needs of the town residents.

D. Petry stated that the costs for permits and fees for new buildings would need to be added to the totals given.

T. Jambard asked if the land closer to the proposed Morton building useable for something else and D. Petry replied that it would be something to look into at the next meeting. Joan Cudworth stated that she had no more room on her plot plan to do more than they are already doing since they have storage, sand, etc.

M. LeDoux stated that we do not want to do any bonding here. The concern is that they don't want to get below the 3% Unassigned Fund Balance so they can protect their bond rating. Doing a bond for under \$400,000 at 3.5% makes no sense, but 1.25% from the Bond Bank makes more sense if the tax payers would rather do this.

Police Cruisers Lease Purchase

The lease purchase would be for 3 Ford Interceptor SUV cruisers, costing approximately \$105,000. The cruiser equipment upfit would be \$40,500, which is a transfer of equipment. This would replace 3 current cruisers with an estimated trade in value of \$12,000.

Police Chief Joe Hoebeke stated that when a vehicle has over 90,000 miles, you will see a significant uptick in cost such as transmission. There is a lot of wear and tear since the vehicles are being driven around 24/7.

The advantage to doing three in on year is better for the Police Department since it's easier to identify the vehicles that need to be cycled out. In total, the Police Department has 10 vehicles.

Additional SRO Officer

Currently there is one SRO officer that covers 4 schools, which is unsustainable. The FBI recommends 2.4 officers per 1,000. In order to add another SRO Officer, there would need to be \$79,545 raised including salary/benefits. The Federal Grant will contribute up to 75% of the cost (\$125,000 max) over three

years. Hollis SAU will contribute 40% of SRO salary and benefits for year 1, estimated at \$31,818, and the town will start paying for the position in 2023, estimated at \$55,410.

Communications Console Lease Purchase

The current console is 8 years old, which is outdated and unsupported by the manufacturer. The Communications Department also services contracts in Mason, Brookline, and Hollis, who share in part of that cost.

Purchase price: \$190,000

Lease purchase: 5 years with semi-annual payments

Approximately \$40,600 a year

Flint Pond Capital Reserve Fund

- Raise and appropriate \$15,000
- Cost of milfoil herbicide in 2021, approx. \$13,140
- Cost of diver around \$5,000/year
- State grant provided \$1,600 in 2020
- Flint Pond Association to create a long term management plan

Conservation Commission will be asked if they are willing to contribute to this fund.

More information will be posted to the website.

Old Home Day Special Revenue Fund

- Raise and appropriate \$50,000
- State law requires town appropriation
- 100% of revenues offset expenses

Compensated Absences

- Raise and appropriate \$50,000
- No tax rate increase – funds to come from Unassigned Fund Balance
- Covers unused paid time off benefit liabilities
- Includes retirement, resignation or termination
- Liability \$303,000 as of 12/31/19 audit
- The current fund balance is \$128,000
- 8 employees left in 2020, drawing \$44,260 from the fund

Evaluation Capital Reserve Fund

- Raise and appropriate \$14,000
- No tax rate increase – funds to come from Unassigned Fund Balance
- Statutory requirement that assessments are reviewed every 5 years
- 2023 – next review year
- Multi-year contract with Municipal Resources (MRI) to spread out costs
- Total cost for 2018 revaluation was \$57,000
- Current fund balance \$27,837

Municipal Buildings & Facilities Maintenance Expendable Trust Fund

- Raise and appropriate \$100,000
- No tax rate increase – funds to come from Unassigned Fund Balance
- Major repairs to buildings & facilities
 - Roofs, HVAC, septic, well pumps, etc.
- Current fund balance is \$69,070
- Planned projects for 2021 is \$51,500

Contingency Fund

- Raise and appropriate \$70,000
- No tax rate increase – funds to come from Unassigned Fund Balance
- Used to meet the cost of unanticipated expenses during the year

Operating Budget

- Vote to raise and appropriate \$11,506,097
 - Represents the 2021 operating budget of the town, not including appropriations by special warrant articles and other appropriations voted separately.

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