

BUDGET COMMITTEE

Town of Hollis

Seven Monument Square

Hollis, New Hampshire 03049

Ph. 465-2209 Fax 465-3701

FINAL minutes of February 8, 2021

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 6:30PM.

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

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

Review/Acceptance of Meeting Minutes

Draft Budget Committee Minutes – January 11, 2020

MOVED by M. Harris and seconded by M. LeDoux to accept the minutes. The motion PASSED unanimously 8-0-0 by rollcall vote.

Draft Budget Committee Minutes – January 12, 2020

MOVED by M. Harris and seconded by M. LeDoux to accept the minutes. The motion PASSED 7-0-1 with T. Gehan abstaining by rollcall vote.

T. Gehan went over the budget process, demographics, information on tax bills, and Unassigned Fund Balance. He also explained the projected tax rate for 2021.

T. Gehan called the public hearing to order at 6:49pm.

- **Article 1: Officials Report**
- **Article 2: Dept. of Public Works Facility Engineering Study**
 - Raise and appropriate (not to exceed) \$50,000
 - Study and cost analysis for potential modifications, additions, and other facility consolidations (wording has been amended from original presentation)
 - Recommended by Selectmen 5-0-0

- Estimated net tax impact
 - Approx. \$.02/\$1000 (tax rate)
 - Approx. \$11.33/\$457,000 (average single-family residence)
- No public input
- **Article 3: Veterans' Tax Credit Increase**
 - Raise the veterans' property tax credit from the existing \$500 to \$600
 - Recommended by Selectmen 5-0-0
 - Estimated net tax impact
 - Approx. \$38,000
 - Approx. \$.04/\$1000 (tax rate)
 - Approx. \$18.75/\$457,000 (average single-family residence)
 - No public input
- **Article 4: Three Police Cruisers Lease/Purchase**
 - Vote to enter into a three year lease purchase agreement for the sum of \$138,800
 - Raise and appropriate the sum of \$46,100 for the first years payment
 - FY21 - \$46,100
 - FY22 - \$46,100
 - FY23 - \$46,100
 - Recommended by Selectmen 5-0-0
 - Estimated net tax impact
 - Approx. \$.02/\$1000 (tax rate)
 - Approx. \$10.45/\$457,000 (average single-family residence)
 - No public input
- **Article 5: Add Police Officer**
 - Raise and appropriate \$79,545 for the hiring of one additional full-time School Resource Officer (SRO), including estimated benefit expenses beginning April 1, 2021.
 - Town will receive a federal grant match contribution of up to \$125,000 over three years
 - Hollis School District will contribute 40% each year and the town will not contribute until year 2022.
 - Recommended by Selectmen 5-0-0
 - No estimated net tax impact in 2021
 - Joe Garruba of 28 Winchester Drive questioned if the town has always had a shortage of officers, as the Hollis PD Staffing Analysis indicated the town is currently 2.5 officers short.
 - Chief Joe Hoebeke replied that the staffing analysis contains considerations such as calls for service proportionate to the number of assigned patrol staff. The staffing analysis is available on the town website.
- **Article 6: Communications Center Console Lease Purchase**
 - Purchase price: \$190,000

- Lease purchase: 5 years with semi-annual payments
- Approximately \$40,600 a year
- Recommended by Selectmen 5-0-0
- Estimated net tax impact
 - Approx. \$.02/\$1000 (tax rate)
 - Approx. \$9.20/\$457,000 (average single-family residence)
- No public input

- **Article 7: Old Home Day Special Revenue Fund**
 - Raise and appropriate \$50,000
 - State law requires town appropriation
 - 100% of revenues offset expenses
 - Recommended by Selectmen 5-0-0
 - Estimated net tax impact
 - None, as this will be amount will be raised from fees and donations
 - No public input

- **Article 8: Compensated Absences**
 - Raise and appropriate \$50,000 to be placed in the Compensated Absences Payable Expendable Trust Fund
 - 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
 - Recommended by Selectmen 5-0-0
 - Estimated net tax impact
 - No rate increases in 2021. Unassigned Fund Balance is the sum of unspent taxes and revenues collected in prior years. Expending \$50,000 that could *potentially* be designated by Selectmen to reduce the town tax rate, equates to foregoing a *potential* rate reduction
 - Approx. (\$0.04)/\$1000 (tax rate)
 - Approx. (\$16.30)/\$457,000 (average single-family residence)
 - No public input

- **Article 9: Revaluation Capital Reserve Fund**
 - Raise and appropriate \$14,000
 - 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
 - Recommended by Selectmen 5-0-0
 - Estimated net tax impact

- No rate increases in 2021. Unassigned Fund Balance is the sum of unspent taxes and revenues collected in prior years. Expending \$14,000 that could *potentially* be designated by Selectmen to reduce the town tax rate, equates to foregoing a *potential* rate reduction
 - Approx. (\$0.01)/\$1000 (tax rate)
 - Approx. (\$4.56)/\$457,000 (average single-family residence)
 - No public Input
- **Article 10: Municipal Buildings and Facilities Maintenance Expendable Trust Fund**
 - Raise and appropriate \$100,000 to be placed in the Municipal Buildings and Facilities Maintenance Expendable Trust Fund
 - Major repairs to buildings & facilities
 - Roofs, HVAC, septic, well pumps, etc.
 - Current fund balance is \$58,153
 - Planned projects for 2021 is \$44,500
 - Recommended by Selectmen 5-0-0
 - Estimated net tax impact
 - No rate increases in 2021. Unassigned Fund Balance is the sum of unspent taxes and revenues collected in prior years. Expending \$100,000 that could *potentially* be designated by Selectmen to reduce the town tax rate, equates to foregoing a *potential* rate reduction
 - Approx. (\$0.07)/\$1000 (tax rate)
 - Approx. (\$32.60)/\$457,000 (average single-family residence)
 - No public input
- **Article 11: Establish a Contingency Fund**
 - Raise and appropriate \$70,000
 - Used to meet the cost of unanticipated expenses during the year
 - Recommended by Selectmen 5-0-0
 - Estimated net tax impact
 - No rate increases in 2021. Unassigned Fund Balance is the sum of unspent taxes and revenues collected in prior years. Expending \$70,000 that could *potentially* be designated by Selectmen to reduce the town tax rate, equates to foregoing a *potential* rate reduction
 - Approx. (\$0.05)/\$1000 (tax rate)
 - Approx. (\$22.82)/\$457,000 (average single-family residence)
 - No public input
- **Article 12: Establish a Farley Building Capital Reserve Fund**
 - Establish a Capital Reserve Fund for the repair and/or restoration of the Farley Building, located at 23 Main Street.
 - Recommended by Selectmen 5-0-0
 - Estimated net tax impact
 - None, as this will be amount will be raised from donations
 - No public Input

- **Article 13: 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.
- One additional full-time police officer proposed in article 5 is not part of the operating budget. If article 5 is approved its associated costs will move into the operating budget.
- Recommended by Selectmen 5-0-0
- Estimated net tax impact
 - No rate increases in 2021. Unassigned Fund Balance is the sum of unspent taxes and revenues collected in prior years. Expending \$70,000 that could *potentially* be designated by Selectmen to reduce the town tax rate, equates to foregoing a *potential* rate reduction
 - Approx. \$5.71/\$1000 (tax rate)
 - Approx. \$2,607/\$457,000 (average single-family residence)

Major Increases to the Operating Budget

- **Retirement**

- FY21 Proposed - \$850,000
- % Change - +15.5%
- \$ Change - \$114,500

- **Long Term Debt Principal**

- FY21 Proposed - \$978,700
- % Change - +18%
- \$ Change - \$152,700

- **Salaries**

- FY21 Proposed - \$4,514,042
- % Change - +2.28%
- \$ Change - \$100,799

- **Souhegan Landfill**

- FY21 Proposed - \$378,680
- % Change - +10%
- \$ Change - \$34,304

Major Decreases to the Operation Budget

- **Transfer Station Manager**

- FY21 Proposed - \$1
- % Change - -100%
- \$ Change – (\$67,724)

- **Long Term Debt Interest**

- FY21 Proposed - \$138,039
- % Change - -22%
- \$ Change – (\$39,035)

- **DPW – Financed Equipment**

- FY21 Proposed - \$83,295

- % Change - -31%
- \$ Change – (\$37,517)
- **Workers Comp Insurance**
 - FY21 Proposed - \$120,819
 - % Change - -15%
 - \$ Change – (\$20,576)

Joe Garruba of 28 Winchester Drive asked that if the sale of the Stefanowicz property will be going towards paying down the debt on that property specifically, but he is unsure how it's addressed in the budget. M. LeDoux replied that it has been the intent of the select board to pay down the principal on that property, however in approaching that situation with the bank, they will charge a prepayment penalty. Instead, they will reallocate the fund into the Unassigned Fund Balance and dedicate that money to the principal and interest on this property.

C. Hyde stated that possibly paying it off faster by using the Unassigned Fund Balance in order to ease some of the financial burden on the town. M. LeDoux replied that it is something that R. Gosselin and the select board will have to discuss.

Jim Belanger of 32 Plain Road asked if article 3: Veterans' Credit was still going from \$500 to \$750, but M. LeDoux stated that it's more appropriate to do it in a staggered approach so to start at raising it to \$600 in year one, then review it to raise it in following years. He also questioned why, in Article 10: Municipal Buildings & Facilities Maintenance Expendable Trust Fund, the town wishes to add \$100,000 when there is already \$58,153 in the opening balance. T. Gehan replied that since the total costs for last year were about \$44,500, they don't want to risk a low balance.

Additional articles: The presence of additional warrant articles was noted, however since these articles do not appropriate money they were not presented or discussed.

Budget & Meeting Calendar 2021

- **Tuesday, February 2 – COOP Public Hearing**
- **Monday, February 8 – Town Public Hearing**
- **Tuesday, February 9 – HSD Public Hearing**
- **Tuesday, March 9 – Town Elections**
- **TBD – HSD Annual District Meeting**
- **TBD – Town Meeting**
- **TBD – COOP Annual District Meeting**

T. Gehan closed public hearing at 7:40pm

Budget Committee meeting continued. The committee took up the warrant articles in order and voted whether to recommend each article:

MOVED by M. Harris and seconded by D. Mann to recommend Article 2: Dept. of Public Works Facility Engineering Study as amended. The motion PASSED unanimously 8-0-0 by rollcall vote.

MOVED by M. Harris and seconded by D. Mann to recommend Article 3: Veterans' Tax Credit Increase. The motion PASSED 5-0-3 with C. Hyde, M. Leavitt, and T. Gehan abstaining by rollcall vote.

MOVED by M. Harris and seconded by D. Mann to recommend Article 4: Three Police Cruisers Lease/Purchase. The motion PASSED unanimously 8-0-0 by rollcall vote.

MOVED by M. Harris and seconded by D. Mann to recommend Article 5: Add Police Officer. The motion PASSED unanimously 8-0-0 by rollcall vote.

MOVED by M. Harris and seconded by D. Mann to recommend Article 6: Communications Center Console Lease Purchase. The motion PASSED unanimously 8-0-0 by rollcall vote.

MOVED by M. Harris and seconded by D. Mann to recommend Article 7: Old Home Day Special Revenue Fund. The motion PASSED unanimously 8-0-0 by rollcall vote.

MOVED by M. Harris and seconded by D. Mann to recommend Article 8: Compensated Absences. The motion PASSED unanimously 8-0-0 by rollcall vote.

MOVED by M. Harris and seconded by D. Mann to recommend Article 9: Revaluation Capital Reserve Fund. The motion PASSED unanimously 8-0-0 by rollcall vote.

MOVED by M. Harris and seconded by D. Mann to recommend Article 10: Municipal Buildings and Facilities Maintenance Expendable Trust Fund. The motion PASSED unanimously 8-0-0 by rollcall vote.

MOVED by M. Harris and seconded by D. Mann to recommend Article 11: Establish a Contingency Fund. The motion PASSED unanimously 8-0-0 by rollcall vote.

MOVED by M. Harris and seconded by D. Mann to recommend Article 12: Establish a Farley Building Capital Reserve Fund. The motion PASSED unanimously 8-0-0 by rollcall vote.

MOVED by M. Harris and seconded by D. Mann to recommend Article 13: Operating Budget. The motion PASSED unanimously 8-0-0 by rollcall vote.

Adjournment: *Motion to adjourn by M. Harris and seconded by M. LeDoux. The motion PASSED unanimously 8-0-0 by rollcall vote.*