

BUDGET COMMITTEE

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

FINAL minutes of December 11, 2023
Meeting was held in the Community Room, Hollis Town Hall.

The Budget Committee was called to order by Tom Gehan at 7:00pm.

Members present: Tom Gehan, Chair; Mike Harris; Darlene Mann; Chris Hyde; Mike Leavitt; Mark Kost; Mark LeDoux, Select Board Representative; Anne Wake-DePasquale, School Board Representative;
Officials present: Jacob Fitzgerald, Finance Director; Lori Radke, Town Administrator; David Petry, Select Board Chair; Susan Benz, Select Board; Tom Whalen, Select Board; Joe Garruba, Select Board

Review/Acceptance of Meeting Minutes

Draft Budget Committee Minutes – October 10, 2023

MOVED by M. Harris and seconded by C. Hyde to accept the minutes as amended. The motion PASSED 7-0-1 with M. Kost abstaining.

Draft Budget Committee Minutes – November 14, 2023

MOVED by M. Harris and seconded by C. Hyde to accept the minutes as amended. The motion PASSED 7-0-1 with A. Wake-De-Pasquale abstaining.

No public input.

Town Report

M. LeDoux stated that there have been many questions regarding the tax bill increases. The increases are due to costs increasing, along with a timing issue, where town meeting warrant articles are being voted in in March, but not being paid for until the December tax bill.

To date, approximately \$5 million in taxes have been collected for the December 2023 tax bill. It is expected that the town will end the year at approximately \$4 million in Unassigned Fund Balance, which brings it closer to the 10% bogey to maintain the current bond rating. A discussion will be had to change the bond rating from AA2 to AA1 due to the increase in taxation from assessment changes.

All road projects have been completed. A paving contract has been approved by the Select Board. T. Gehan asked if the remaining Unassigned Fund Balance included the use of funds towards 2024 warrant articles, and J. Fitzgerald responded that it does.

New Business

The Budget Committee has drafted a statement explaining the changes on the December 2023 bill. This statement will be posted on the website.

M. Kost questioned the explanation of spending that is built into the tax rate versus the property value increase, and how it influences the tax rate. D. Mann responded that it is to be transparent about the anticipated impact of spending by each component of the tax bill in each district. T. Gehan stated that when the Budget Committee does the forecast, they include increases in spending, forecasted revenue, an estimate in the aggregate tax base for new housing stock, but do not take into account new valuations. M. LeDoux noted that there has been an increase in residents, which is consistent with expenses including health care, pensions, and inflation.

MOVED by M. Harris and seconded by C. Hyde to accept the communication that has been drafted by the committee. The motion PASSED 8-0-0.

FY24 Town Budget

J. Fitzgerald noted that budget information is posted to the town's website. Meals and Rooms Tax number has come in at \$809,145.00, which is more than the anticipated \$650,000. There is an expectation that the number will be increased for 2024.

The proposed FY24 operating budget is set at \$14,219,096, which is in excess of guidance by \$179,942 and does not include expenses that will be reimbursed through grants. The budget reflects an increase of \$544,277 over the 2023 budget, which is just shy of 4 percent.

Since the town refinanced outstanding bonds, there will be a savings of \$50,000 in interest.

Significant increases include: salaries and wages (10.8%), employee insurance (16.5%), and NHRS retirement costs (6%). Salaries and insurance increases include the four firefighters approved at the 2023 Town Meeting.

Significant decreases include: block grant expenditures (-57.4%), financed equipment (-19.8%), and debt services (-3.6%).

Major non-tax revenues include: interest earnings (257.1%), dispatch fees (60.4%), motor vehicle permits (3.4%), block grant revenues (-57.4%), federal grants (-100%).

Noteworthy departmental increases and decreases were discussed.

The largest increase was to employee benefits, including \$185,015 increase in health insurance premiums and \$66,266 increase in NHRS contributions.

M. LeDoux stated that a warrant article will be presented to relieve the Unassigned Fund Balance in the amount of \$10,000 for future cemetery expansion.

T. Gehan questioned if there will be any state funding for new voting machines, and L. Radke responded that the Secretary of State's office has not made a decision yet.

It is anticipated that \$1 million will be added to the Unassigned Fund Balance due to vacant positions and increases in non-tax revenues. T. Gehan expressed the need for tighter spending throughout

departments, especially since there will be a request for guidance. He would also like a comparison between collective bargaining salaries versus those who are not covered by collective bargaining units.

2024 Warrant Articles

ARTICLE 1 - Officials Reports

To hear reports of the Board of Selectmen, other Town Officers and Committees.

ARTICLE 2 – Silver Lake Phosphorus Reduction Study/Design

Shall the Town of Hollis vote to raise and appropriate \$100,000 (One Hundred Thousand Dollars) to hire a Certified Lake Management / Engineering Firm to study conditions and provide design solutions to reduce external and internal phosphorus loading in Silver Lake -- to prevent future cyanobacteria blooms in the lake? And to authorize the issuance of not more than \$100,000 of bonds or notes in compliance with the Municipal Finance Act, RSA 33:1 et seq., as amended, with the amount of such bonds or notes to be reduced by any grant funding received for the project, and to comply with all laws applicable to said project; to authorize the Select Board to issue, negotiate, sell, and deliver said bonds and notes and to determine the rate of interest thereon and the maturity and other terms thereof; and to authorize the Select Board to take any other action or to pass any other vote relative thereto. It is anticipated that there will be \$100,000 in principal loan forgiveness, under the New Hampshire Department of Environmental Services Clean Water State Revolving Fund (NH CWSRF). The interest on this loan will be paid in full by a donation from the Silver Lake Improvement Association Water Quality Fund. Fiscal Impact Note: The Tax Impact associated with this will be \$0.00 per \$1,000 valuation. Any and all interest accrued prior to loan forgiveness and administrative costs shall be paid via monies held in the Silver Lake Improvement Association Water Quality Fund. Estimated Tax Impact \$0.00 per Thousand. (3/5 Ballot Vote Required.)

ARTICLE 3 – Elderly Exemption Modification

Shall the town modify the provisions of RSA 72:39-a for elderly exemption from property tax in the Town of Hollis, based on assessed value, for qualified full time resident tax payers to be as follows: for a person 65 years of age up to 75 years, \$272,000; for a person 75 years of age up to 80 years, \$312,000; for a person 80 years of age or older \$368,000. To qualify, the person must have been a New Hampshire resident for at least 3 consecutive years preceding April 1st, own the real estate individually, or jointly, or if the real estate is owned by such person's spouse, they must have been married for at least five consecutive years.

In addition, the taxpayer must have a net income, as that term is defined in RSA 72:39-a, in each applicable age group of not more than \$63,500 or, if married, a combined net income of not more than \$72,500 and own net assets not in excess of \$198,000; excluding the value of the person's actual residence and the land upon which it is located up to the greater of 2 acres or the minimum single family residential lot size specified in the local zoning ordinance.

The estimated annual tax impact on tax effort is \$196,991, compared to the 2023 actual of \$126,453.

ARTICLE 4 – The Farley Building Community Center

To see if the Town will vote to raise and appropriate no more than \$300,000 for the purpose of further renovations to the Farley Building Community Center by funding a complete construction and bid management package to be used relative to an RFP for the work. This funding will include the following

Conceptual and Schematic Design, Design, and Development, as well as Complete Electrical, Structural, and Construction Documents.

ARTICLE 5 – Selectmen's Authority to Acquire or Sell Land, Buildings or Both (RSA 41:14-a)

To see if the Town will vote to adopt RSA 41:14-a, to allow the Selectboard to acquire or sell land, buildings, or both; provided, however, they shall first submit any such proposed acquisition or sale to the planning board and the conservation commission for review and recommendation by those bodies and hold the mandated two public hearings. This article will remain in effect until rescinded by a majority vote.

ARTICLE 6 – Facility Space Needs Assessment for the Police and Fire Stations

To see if the town will vote to raise and appropriate no more than \$35,000 for the purpose of a facility space needs assessment for the Police and Fire Station.

Said funds to come from the Unassigned Fund Balance as of December 31, 2023, if available.

ARTICLE 7 – Excavator Lease Purchase

To see if the Town will vote to authorize the selectmen to enter into a five-year lease purchase agreement for the

sum of \$300,000 plus interest, for the purpose of lease purchasing one (1) excavator with attachments for the Public Works Department with a \$1.00 purchase option at the end of the lease term, and to raise and appropriate the sum of \$69,297 for the first year's payment for that purpose. This lease purchase agreement contains an escape clause.

FY24	FY25	FY26	FY27	FY28	TOTAL
\$69,297	\$69,297	\$69,297	\$69,297	\$69,297	\$346,485

ARTICLE 8 – Enterprise Town Vehicle Lease

To see if the Town will vote to authorize the Select Board to enter into a Master Equity Lease and Fleet Management Agreement for the purchase, maintenance, and sale of passenger vehicles for the Town of Hollis, and to raise and appropriate the sum of \$184,225 for the first year's payment for that purpose.

This lease agreement contains an escape clause. Further, to establish a Fleet Management Committee to oversee the Town's rolling stock of vehicles and replacement thereof. Participation in the agreement and the Committee will remain until rescinded. All proceeds from vehicle sales will offset the acquisition cost of the replacement vehicles. (Majority vote required)

IF ARTICLE 8 FAILS

ARTICLE 9 – Police Vehicle Lease Purchase

To see if the Town will vote to authorize the Select Board pursuant to RSA 33:7-e to enter into a three (3) year lease purchase agreement for the sum of \$338,450, for the purpose of lease purchasing six (6) vehicles for the Police Department, and to raise and appropriate the sum of \$140,480. for the first year's payment for that purpose. This lease purchase agreement contains an escape clause.

FY24	FY25	FY26	TOTAL
\$123,444	\$123,444	\$123,444	\$370,332

M. Kost would like more information on the economic impact for Articles 8 and 9. It was questioned if Article 8 would need to be brought to Town Meeting each year, and it was believed that it does not since there is an escape clause.

ARTICLE 10 – Cemetery Expansion Expendable Trust Fund

To see if the Town will vote to raise and appropriate \$10,000 to be placed in the Cemetery Expansion Expendable Trust Fund as previously established at the 2023 Annual Town Meeting.

Said funds to come from the Unassigned Fund Balance as of December 31, 2023, if available.

ARTICLE 11 – Old Home Day Special Revenue Fund

To see if the Town will vote to raise and appropriate the sum of \$50,000 for the purpose of sponsoring the Old Home Days event and to fund this appropriation by authorizing the withdrawal of said sum from the Old Home Day Special Revenue Fund. This article will not affect the tax rate, as these funds will be raised from fees and donations.

ARTICLE 12 – Compensated Absences Payable Expendable Trust Fund

To see if the Town will vote to raise and appropriate \$50,000 to be placed in the Compensated Absences Payable Expendable Trust Fund as previously established at the 2002 Annual Town Meeting.

Said funds to come from the Unassigned Fund Balance as of December 31, 2023, if available.

No amount to be raised from taxation.

ARTICLE 13– Revaluation Capital Reserve Fund

To see if the Town will vote to raise and appropriate \$14,500 to be placed in the Revaluation Capital Reserve Fund as previously established at the 1996 Annual Town Meeting.

Said funds to come from the Unassigned Fund Balance as of December 31, 2023, if available.

No amount to be raised from taxation.

ARTICLE 14 – Municipal Buildings & Facilities Maintenance Expendable Trust Fund

To see if the Town will vote to raise and appropriate \$150,000 to be placed in the Municipal Buildings and Facilities Maintenance Expendable Trust Fund as previously established at the 2008 Annual Town Meeting and amended by the 2009 Annual Town Meeting.

Said funds to come from the Unassigned Fund Balance as of December 31, 2023, if available.

No amount to be raised from taxation.

ARTICLE 15 – Establish a Contingency Fund

To see if the Town will authorize the establishment of a contingency fund under the provisions of RSA 31:98-a for the purpose of funding unanticipated expenses that may arise during the year. Furthermore, to raise and appropriate \$100,000 towards this purpose and appoint the Select Board as agents to expend from said fund.

Said funds to come from the Unassigned Fund Balance as of December 31, 2023, if available.

No amount to be raised from taxation.

D. Mann questioned what would happen if the Contingency Fund was not passed and an emergency occurred, and M. LeDoux responded that there would have to be a special Town Meeting and a request to the DRA. Past uses include the DPW explosion and road rebuilding due to emergency flooding.

ARTICLE 16 – 2024 Operating Budget

To see if the Town will vote to raise and appropriate the sum of \$14,219,096 which represents the operating budget of the Town for 2024, not including appropriations by special warrant articles and other appropriations voted separately.

Adjournment: *Motion to adjourn* by M. Harris and seconded by C. Hyde. The motion PASSED unanimously 7-0-0.