

BUDGET COMMITTEE

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

DRAFT minutes of April 9, 2024

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;

Election of Budget Committee Officers

Chair

MOVED by M. Harris and seconded by D. Mann to nominate Tom Gehan as the Budget Committee Chair. The motion PASSED 7-0-1 with T. Gehan abstaining.

Vice Chair

MOVED by C. Hyde and seconded by M. Leavitt to nominate Mike Harris as the Budget Committee Vice Chair. The motion PASSED 7-0-1 with M. Harris abstaining.

Secretary

MOVED by C. Hyde and seconded by M. Harris to nominate Mike Leavitt as the Budget Committee Secretary. The motion PASSED 7-0-1 with M. Leavitt abstaining.

Review/Acceptance of Meeting Minutes

Draft Budget Committee Minutes – February 6, 2024

MOVED by M. Harris and seconded by C. Hyde to approve the minutes. The motion PASSED 8-0-0.

Draft Budget Committee Minutes – February 13, 2024

MOVED by M. Harris and seconded by C. Hyde to approve the minutes. The motion PASSED 7-0-1 with A. Wake-DePasquale abstaining.

No public input.

Town Report

M. LeDoux stated that out of the approximately \$38 million 2023 warrants, around \$250,000 remains outstanding. He updated on staff vacancies and recently filled positions. There is concern with the number of vacancies in the Communications department.

The 2023 audit will begin in May, with the hopes to have it completed by July. The Unassigned Fund Balance, after the expenditures from Town Meeting, is at \$3.7 million. Moodys will be reaching out to do an analytic on the financial statements. M. LeDoux does not expect any major expenditures in the

coming year, but believes the town should be cautious of the financial impact of the Farley Building. J. Fitzgerald stated that there will be a need for one ladder truck to be replaced in the coming years, which he believes will be approximately \$2 million per truck. The current ladder truck is 22 years old.

C. Hyde questioned if the town had an appetite to combine the Police and Fire buildings into one municipal complex. He believes this would save money since many of the building features would not need to be duplicated in two different facilities, but instead shared. J. Fitzgerald responded that that option is being considered in the study. C. Hyde commented that with the recent DPW facility updates, along with the costs to the schools, additional costs should be considered carefully.

M. Kost suggested looking into spending less money to extend the life of the ladder truck instead of buying a new one for a much higher cost.

School Report

A. Wake-DePasquale reported that an Enrollment Committee has been formed. The next meeting will be held next week to discuss space needs within the schools. The focus will be on short and long-term solutions, especially since the primary school is in dire need of more space. The preschool will need to add a second class for next year, with many other rooms at full capacity. She has seen an increase in families that are moving in to town having young children enrolled in the primary school. All options are on the table at this point, included adding portable classrooms and moving the preschool to another location.

Budget Cycle Debrief

M. LeDoux stated that contract negotiations do not start for another 18 months, so outside of Communications, the number of staff seems to be operating well. M. Harris questioned if salary is the issue within the Communications department. M. LeDoux responded that he has not been told that salary is the issue, but more that there are unique skillsets needed for those positions which makes it more difficult to fill. Currently there are state run websites that are being utilized for advertising open positions. There have been discussions about potentially changing the requirements for the positions, but M. LeDoux is not sure that would be the best idea since it involves dealing with life-or-death situations. T. Gehan questions if there are training opportunities where someone could be hired and trained in the position instead of requiring someone to have prior experience. M. LeDoux responded that the employee has to actively work with fire and police, so pulling someone off the street with no experience is a liability issue. C. Hyde suggested having a head hunter to potentially bring in qualified employees.

C. Hyde believes better financial planning should be considered for the future, along with looking into how the Unassigned Fund Balance has been funded and utilized in recent years. M. Harris stated that he is uncomfortable funding items out of the Unassigned Fund Balance because it is made to seem like the money is “free” when it is really coming from tax money. T. Gehan responded that the Budget Committee looked at the spending side and found that employee benefits were consistently underspent. This area of the budget was trimmed by about half when it was realized.

Over the past 5 years, the town has averaged approximately \$450,000 per year in Unassigned Fund Balance usage at Town Meeting. T. Gehan believes there is a need to look at the revenue side or set a guidance budget and have each department work within that budget. M. Kost stated that if the budget is constantly being build off of the prior year’s budget, it will always increase. Instead, he believes it would

be beneficial to look at projected projects and needs versus building off of the previous budget. He believes this will decrease the budget so unnecessary wants being funded. T. Gehan stated that looking at Q3 actuals to see how much had been spent to date would give a better understanding of what should be budgeted for in the coming year. M. LeDoux responded that some circumstances are unable to be planned, such as abatements. M. Kost believes guidance should be set based on what is being spent and what is anticipated instead of simply building off the previous budget. D. Mann stated that the school budget is run using actuals, known upcoming expenses, and approved items such as NHRS changes, along with running it the same way the town does. The view in September could be very different from the view in January, so it makes it difficult to project how much will be spent.

There were discussions regarding changes the Committee wishes to see at the state level. T. Gehan suggested meeting with the Select Board and the School Board to discuss if bringing the issues up to the state would be beneficial.

M. Kost would like to see the potential effect of bonded projects, including ones that are falling off in the near future and ones that will be upcoming. It would be beneficial to have an outline of when bonds are falling off to show the tax effort change in order to see how new bonds would affect the tax rate, and if there is an immediate need to take out additional bonds. D. Mann pointed out that there is so much already included in passing a budget, that adding hypotheticals without context could make public hearings more convoluted. M. Kost clarified that this option should not be for public hearings, but for when the Budget Committee gets the initial information before the budget is presented.

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