



**BUDGET COMMITTEE**  
**Town of Hollis**  
Seven Monument Square  
Hollis, New Hampshire 03049  
Tel. 465-2209 FAX 465-3701

**Minutes of June 22, 2009**

Meeting was held in the Community Room, Hollis Town Hall, and the Budget Committee was called to order by Chairman Chris Hyde at 8:15 PM. Both the Selectmen and Budget Committee jointly met with the state legislators.

Members present: Chris Hyde, Chairman; Bill Beauregard, School Board Representative; Frank Whittemore, Tom Jambard, Bob Labednick  
Also present: Paul Calabria, Finance Director.

**Proposed State Budget Overview**

Representative Don Ryder suggested that they first make a presentation of the proposed budget, and then open it up for questions.

Senator Gilmour stated that Senate and House hammered out a compromise on last Friday, and the proposed budget will go to the House and Senate floor on this Wednesday. If passed, significant cuts and additional revenues will take effect on July 1<sup>st</sup>. If not passed, it will go to continuing resolution with a new committee formed to hammer out differences. If not passed, we will be held to 2009 spending levels.

Representative Melanie Levesque presented a quick overview, and indicated that she will send her summary to the Committee. Main points include:

- o Layoffs – 200 state workers, and \$25M in additional personnel reductions (such as furloughs, if unions agree).
- o Unfund 400 state positions and continue hiring freeze for 2 more years.
- o Close Laconia State Prison and several district courts
- o Suspend revenue sharing
- o Reduction of the state retirement contribution to 30% in FY10 and 25% in FY11
- o Close Tobey School for emotionally troubled children and place them in private programs
- o Cuts Developmentally Disabled - \$2M cut
- o Commission on status of Women – funding only one year rather than 2 years
- o Cut \$1M payment to Children's Hospital at Dartmouth
- o Cut \$20M in Human Health and Services personnel reductions
- o Increase Rooms and Meals tax to 9% and imposed on campgrounds
- o Close interest and dividends loophole
- o Increase cigarette tax by \$.45
- o Create a gambling tax on winnings

What is left in the Budget:

- o \$123M in direct education aid to cities and towns
- o Senior Volunteer programs
- o Catastrophic Illness program
- o State retirees under 65 to pay \$65/month in Health Insurance (they pay nothing now)
- o Increased Retirement contribution for new state employees

Budget does not do the following:

- o No Sales Tax
- o No income Tax
- o No gas tax
- o No expanded gambling
- o No expanded Room and Meals tax to include other entertainment
- o No refinance tax
- o No capital gains tax

- No estate tax
- No BET (Business and Enterprise Tax) increase

Discussion:

- Representative Ryder stated that registration for vehicles will be raised, and part of the money will be coming back to towns. School building fund
- Representative Richard Drisko stated that boat licenses and registrations have doubled; and part of these fees (~\$100,000) will go to milfoil battle.
- Representative Gargasz stated that the County tax rate will be down 2%.
- Retirement system is issue. There are 8 or 9 bills that have been put in – including raising retirement age.
- Health insurance cost – If retirement before age 65, the state was paying all of the health insurance - now they will have to pay \$65/month.
- Senator Gilmour indicated that the educational funding is being held solid.
  - 2009 Education distribution to Hollis: \$4,696,366
  - In first year, revenue sharing loss is \$51,000.
  - Additional education funding for Hollis is \$277,000 (Not clear if only Hollis or Coop also)
  - Stimulus dollars are one time only. State stabilization stimulus money is to mitigate loss of revenues to towns – NH is one of the best in the nation.
- The budget for the biennium that ends June 30, 2009 is \$10.3B (with revenues missed of ~\$500M).
- The proposed budget starting July 1, 2009 is \$11.6B – **an increase of \$1.3B**. Senator Gilmour will email the spreadsheet to the Committee so that we can understand the numbers. In the last four years, spending has increased by 25%.
  - Out of \$10.3B, what portion are salaries and benefits for state employees? There appears to be no attempt to make an across the board cut. (The majority of the town budget is salaries and benefits).
- Economic stimulus for education is specifically targeted to a certain population of the school district, and is not something you can apply to a general population. We need to understand the criteria.
- Selectman Mark Le Doux asked the legislators to share with their colleagues that it is an unfunded mandate to reduce the state's contribution by 5% this year and 5% next year. Why isn't the increase being put on the state and municipal employees instead of being downshifted to the towns? This is transference of an obligation made by the state to the towns.
- There is great concern that no across the board pay cut for all state employees is in the proposal. On January 1, 2009, a 5% raise went into effect. This compares with 10-20% pay cuts, job eliminations, and furloughs in the private sector.
- The consensus of opinion of the elected officials of Hollis who attended is to vote "No" on this budget. Spending cuts need to be made.

Motion to adjourn the Budget Committee was made and seconded. Meeting adjourned: 9:45 P.M.

Respectfully submitted,  
Donna Drottar, Recording Secretary