

BUDGET COMMITTEE

Minutes of February 28, 2006

Meeting was held in the Community Room, Hollis Town Hall and was called to order by Chairman, Mike Harris at 7:35 PM.

Members present: Mike Harris, Chairman; Melinda Willis, Selectmen's Representative; Chris Hyde, Lorin Rydstrom; Deborah Adams, Secretary

Mike states that Jim Belanger has recently asked to become a member of the yahoo group. Jim claims that he cannot get on to view the messages. Mike is not very familiar with this site and could not explain to him how to view the messages. Chris indicates that the site was used briefly a year ago, yet there was concern regarding how some members were replying to messages, which was making the original post's email visible and available for spam. Mike questions the status of the site. Chris states that while it still exists, it is not being used. Mike asks if they could just get rid of the site. He mentions that Jim is very tenacious and was talking about the freedom of public information. Chris states that he recently checked the yahoo group site and verified the information. The automated emails for meetings is still working. He explains that he signed in as an anonymous person, not with his own email account. He could see all messages that had been posted. He will follow up with Jim.

Town Report

Melinda explains that they have some overtime issues with DPW. There is only \$11,000 left in the storm budget. Arthur has explained to the Selectmen that there were several long term storms rather than multiple short storms, which causes more time for clean up. This line item will go over budget. They may need the bottom line increased at town meeting. Chris comments that this really doesn't allow for any reserve for next November/December. He questions whether this was trimmed back for the budget. Melinda indicates that it was cut back by Arthur, not by the Selectmen. Mike asks if this were done on purpose. If he had known about this, he would have raised the issue during the budgeting process. Lorin agrees. Melinda states that they will look at other areas of the budget to pull the additional funding without raising the bottom line. She stresses that at least Arthur came in with a budget that was under the 4%, while the other departments did not.

Melinda states that the Police Department has been down 2 officers, one of which just returned to duty. The other officer may need neck surgery and will be out for a while. The Communications Department has been having more overtime due to the loss of 1 employee. The Selectmen eliminated the communications director position, therefore the department is now under the Communications Advisory Board oversight. One employee was promoted to supervisor. Chris asks why this department is not under the police department control. Melinda explains that Russell is very busy right now, as he is down 1 lieutenant. There are also union issues. Chris asks if there are any liability issues with this new oversight. Melinda explains that technically Bobby Dichard, the new supervisor has 3 bosses (Russell Ux, Rick Towne and Arthur LeBlanc). Chris asks if the director position is waiting to be filled. Melinda explains that this position was completely abolished. This position was originally intended to be 10 hours of administrative duties, with the remainder filling in as a dispatcher. Unfortunately, it turned out to be the other way around with the majority of the time used for administrative. Then a request was submitted for an addition dispatcher.

Melinda mentions that Jim Squires has indicated that he will allow the Strategic Planning Committee 15 minutes at the beginning of town meeting to give a short presentation. The Tax Equity Study Committee will also be giving a report. These will be done before the bond article is presented. The Strategic Planning Committee will be sending out surveys to Hollis residents in conjunction with the Tax Equity Study Committee. Doing the survey together will cut down on the cost of mailing and should also bring better results than 2 separate surveys.

Annual Meeting Presentations

Mike asks if the BudCom should make any presentation on the bond issue or if they should let the Land Protection Study Committee handle the presentation. Melinda believes that Pat Clarke will be presenting for the Land Protection Study Committee. Mike asks if the BudCom should say anything about the tax impact of this bond item. Chris states that he recently gave his data to Paul Calabria and Gerry Gartner. He suggests that he could create a new chart showing the new debt and payments. Mike comments that in the past John Eresian did much research on the tax impact to the schools, comparing land purchases to development. Chris agrees that there are interesting arguments on this topic. He has never seen the whole picture on this issue, therefore he is reluctant to use this as a full argument. Mike states that they need to look at the debt vs. revenue from taxes vs. need for services at the schools. The question becomes whether this balances out. Chris believes that a \$650,000 house becomes a wash. Melinda comments that the Land Protection Study Committee ignores the need for town services in their calculations. More houses need more fire, police and dpw services.

Melinda states that with the schools accounting for 77% of the tax rate, to educate a child at \$10,000 per year, \$13,000 is needed per year as revenue, which is a \$650,000 home. Lorin points out that the fallacy with this is that most new homes have children, while the older homes have no children. His house will have no children for a longer time period than it did have children. Chris states that it does not consider the turn over rate in the town. He feels that if the Land Protection Study Committee wishes to make this kind of presentation, they should, yet it should not come from the BudCom. He is actually still on the fence on whether this notion is a factor or not.

Mike states that they should show what percentage of the tax rate is for debt service and how much debt there is. This should be shown as

accumulated over time. The BudCom should just show the facts. Chris will ask Paul to help update the chart. Melinda states that people may also wish to see what this will do for a \$350,000 home. Chris agrees to create the charts and will show the 2nd year impact from the new bond article. Melinda mentions that bond rates are going up.

Melinda states that in previous years she has shown an overview sheet with all the articles and the tax impact for each. People have commented that this is too complicated and too much to absorb. Chris states that they should show the full impact if all articles are approved. For each individual article the slide should be something very simple. Melinda states that each individual slide should also show the total impact and the percentage of the total. Mike likes these suggestions. Chris will need to talk to Paul about the total valuation. He feels safe using 1.5% as the increase, but not an estimate of 3% like last year. He mentions that there is no easy way to factor in the loss of the State education aid. Melinda states that at the school meetings, LeeAnn shows the anticipated revenue. Chris states that LeeAnn only uses what is current law, and not what may actually occur. Melinda feels the BudCom should show this as a slide at the school meeting, showing what the BudCom believes will be the real case.

Melinda suggests having a spreadsheet showing what was approved at the district meetings last year vs. what the DRA used to set the tax rate. She will talk with Paul about how this worked and how the unreserved fund balance is calculated. Mike asks if this would be done as a slide for the public. Melinda feels it would be too confusing, but would be good information for the BudCom. Melinda would like to have the spreadsheet with all articles and their tax impact updated during the meeting should any article fail.

Melinda comments that there may be much discussion on the School Resource Officer issue. Mike asks if the BudCom should make any comments on this. Chris states that there is the potential for 2 tax impacts with this. Melinda states that the expense of this officer will be totally in the town budget, yet revenue for 60% of the cost will come from the schools. Mike states that the BudCom recommended this. Melinda states that if the coop does not approve the article for the SRO, there will not be an officer in the schools, yet Russell could still use this officer on patrol. Mike does not see that the BudCom needs to take a position on any article with a presentation. There was nothing controversial this year. They can merely show a chart for each article.

Other Business

Debbie points out that BudCom member Christine Furman has not been in attendance during this critical budget preparation time. Lorin believes there is an RSA that allows the town to remove a member from the board if they do not have excused absences. Mike will look this up.

Melinda moves to adjourn. Seconded by Lorin. Motion unanimously approved.

Next Meeting will be held March 28, 2006 at 7:30 PM in the Town Hall Community Room

Meeting adjourned at 8:40 PM.

Respectfully submitted,

Deborah Adams, Secretary