

BUDGET COMMITTEE

Minutes of October 23, 2007

Meeting was held in the Community Room, Hollis Town Hall and was called to order by Acting Chairman, Melinda Willis at 7:30 PM.

Members present: Melinda Willis, Selectmen Representative; Tom Jambard, Bob Labednick, Mort Goulder; Deborah Adams, Secretary

Also present: Paul Calabria, Finance Director

Review of Minutes

Review of the September 25, 2007 minutes was postponed until the next meeting.

Town Report

Melinda comments that things are going well. A few line items are over budget, while others are under budget. It will all balance out. Paul mentions that through the end of September, the Town budget is 7-8% under. Melinda reports that the Selectmen received the 1st request from department heads last night. They are just starting this review. At first glance the figures are over the guidance, yet adjustments will be made. The Police and Fire department presentations have been switched on the schedule.

Melinda states that a preliminary tax rate was set by the DRA yesterday. The change in apportionment helped to absorb much of the increase, therefore there was a much smaller tax rate increase than was expected. The valuation is also up 2.7%. Mort questions how much of the valuation increase is due to the reinspections. Paul is not sure if he would be able to pull that figure out of the MS-1. Melinda states that the statistical analysis has not been done yet. This will be done next year. Paul mentions that the town portion of the tax rate was lower than expected. Many items worked in their favor this year. Tom questions the revenue from current use. Paul states that this is way down. He reports \$164,000 in 2004, \$59,000 in 2005, \$118,000 in 2006 and \$28,000 for 2007.

Mort questions what scale was used during the recent assessment. Melinda explains that this was not done this year, they were merely checking the physical measurements. During the coming year they will be performing the statistical analysis. Mort questions why the State wants physical measurements checked again. Melinda states that the town is required to have this done every 5 years. Paul adds that many people do not pull building permits when making changes to their homes. This catches those physical changes.

School Report

Melinda reads an email sent by Bill earlier in the day. He could not attend the meeting tonight but wanted to report a few items.

- Year to date BudCom report attached to email. (He has asked for details of accounting allocations for 2310 account for FY07 & FY08. He thinks it is related to encumbrance of previous year's contingency.)
- Final October 1 enrollment spreadsheet attached to email - He summarized 2001 - 2007 into one spreadsheet
- DOE and MS 25 reports were submitted to the State on October 2
- Business Administrator is assessing BudgetSense implementation to define milestones for remaining work, including Personnel module and FTE report.
- Hutter maintenance evaluation report being assessed to determine expenditure plans for FY08 maintenance budget, FY08 Expendable trust, and budget for FY09

Debbie passes out letter from DRA that was sent to school administrators and school boards. This letter is a reminder to submit their financial reports in a timely manner, as this information is necessary as part of the tax rate setting process. The letter also points out the "Transfers of unexpended appropriations under RSA 32:10 may occur only if *'changes arise during the year ... that make it necessary to **expend** more than the amount appropriated for a specific purpose'*. This authority does not extend to **transferring** surplus into capital reserve funds (CRF) or expendable trust funds (ETF) without a specific appropriation in a sum certain voted at an annual or special meeting, even if \$1 was placed on that line of the MS22 form."

Budget Guidance

Melinda has not received any new numbers from the school to plug into the budget guidance spreadsheet. She did receive some election figures from the town clerk for the town chart. Including those figures, the base is now \$9,490,461 for 2008. She still needs to include the veterans tax credit figures.

Paul mentions that several years ago Jim Belanger had commented that the budget recommendation has been tied to CPI, with some growth factor included. He recommended that they should also factor in the tax base growth. If they only allow for growth based on inflation, the budget will always be behind. With this theory the guidance should include a 2.7% valuation increase plus the 1.8% for CPI. Mort states that since the schools allow for an increased based on population, this same theory should be used for the town with growth based on population, rather than on property valuations.

Tom states that it all depends on where the growth is coming from. If the increase is due to new homes being constructed on new roads, then this new road will need to be maintained by the town and the growth factor would apply. However, if the increase were due to new decks, sheds, etc. then the town would not need to provide any more services and the growth factor would not apply.

Paul comments that they made conservative estimates on some items, yet there are other lines that they do not have final figures for, such as the Souhegan Landfill. Bob points out that there are many homes for sale in Hollis these days. This is much more than in the past. He is concerned that when taxes are raised, this forces many people to leave Hollis and many homes to be taken by the bank. When the bank takes over, there are no taxes being paid to the town during this period. Paul mentions that it takes a long time before the town takes a house via tax lien. Bob agrees, yet stresses that they can't continue doing things this way anymore. They should not put the town into a hole with new bonds. He is very concerned with the number of houses currently on the market.

Paul points out that Hollis is still a desirable place to live. Melinda adds that the tax rate as compared to neighboring towns is still even. The BudCom looks out for the tax rate, yet when the town and schools have different budgets than the BudCom, the voters tend to approve the higher budget. This can be very frustrating. Bob agrees that people will vote for what they want anyway. Melinda points out that the town portion of the tax rate is not much. People get many services from the town for what they are paying. She comments that all the department heads feel the selectmen were brutal with their budgets last year.

Tom points out that with real estate values dropping, the town percentage for sales ratio should go up. Paul agrees. While this will not change the valuations at this time, when the statistical analysis is done, all homes of the same caliber might change. Melinda stresses that this is why the State requires this to be done every 5 years. The town is at a 75.6% ratio for 2006. She has a chart of all communities within NH. Mort questions the ratio for Amherst. Melinda reports that Amherst is at 96.9%, yet they had a revaluation performed just last year.

Tom comments that there should be more discussion about Jim Belanger's suggestion at a later meeting.

Subcommittee to Review Financial Aspect of Coop

Melinda states that Selectman Mark LeDoux attended the last meeting of the Strategic Planning Committee, where he was asked if this had been completed. Since then, Forrest Milkowski from Brookline and a member of the Coop BudCom has offered to assist with the effort to obtain these figures. Tom is upset with Peter Baker, who took a cheap shot at the BudCom for not having these numbers prepared. He explains how the BudCom apparently misunderstood what the Selectmen had really wanted, and thought they were to form a subcommittee to review this. Yet all they really wanted was some number crunched. Melinda adds that the Strategic Planning Committee was originally charged with getting this information together, however several members stepped down from this committee as they did not have the time.

Meeting Schedule

Debbie announces some changes to the meeting schedule. A new listing will be sent to all BudCom members. She stresses the importance of attending the SAU Public Hearing on December 6th, as this is the only chance anyone has to comment on that budget. Once this public hearing is concluded, those figures are placed within each school budget and cannot be changed. Debbie mentions how she recently read on the Brookline Yahoo discussion group a posting regarding this very topic. Residents in Brookline were discussing the SAU budget and one actually commented that the only people to attend last year's public hearing were 2 Hollis BudCom members. He was urging Brookline residents to attend this year.

Paul asks if SB-2 would be on the ballot again for this year. Melinda is not sure. Mort questions what would happen if the schools decide not to pay for the resource officer. Melinda states that this would reduce the number of officers being requested for this year. The town would absorb the existing officer into the police budget. This position is currently being paid 60% from the schools and 40% from the town. The Chief is requesting 2 new officers for next year. Mort stresses that just because they ask for 2 doesn't mean they will get 2. Melinda reminds the BudCom how one officer died last year, therefore the officer that was hired this year merely replaced the one that was lost.

Tom moves to adjourn. Seconded by Mort. Motion unanimously approved.

Next Meeting will be held November 27, 2007 at 7:30 PM in the Community Room, Hollis Town Hall

Meeting adjourned at 8:20 PM.

Respectfully submitted,

Deborah Adams, Secretary