



## BUDGET COMMITTEE

# Town of Hollis

Seven Monument Square  
Hollis, New Hampshire 03049  
Tel. 465-2209 FAX 465-3701

## Minutes of January 27, 2009

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

Meeting was held in the Community Room, Hollis Town Hall and was called to order by Chairman, Chris Hyde at 7:10 PM.

Members present: Chris Hyde, Chairman; Mike Harris, Vice Chairman; Peter Band, Selectmen's Representative; Bill Beaugard, School Board Representative; Tom Jambard, Bob Labednick, Lorin Rydstrom Frank Whittemore.

Staff present: Troy Brown, Town Administrator; Paul Calabria, Finance Director; Russell Ux, Police Chief; Jeff Babel, Director of Public Works; Rick Towne, Fire Chief; Gaye Kulvete, Library Director; Robert Bartis, Library Trustee; David Gagnon, Building Inspector and Deborah Adams, Secretary

Selectmen present: Vahrij Manoukian, Chairman; Frank Cadwell, David Petry

### Non-Public Session

*Beaugard motions to enter NON-public session in accordance with RSA 91-A: 3-II (a) for the compensation of a public employee as related to ongoing contract negotiations. Seconded by Harris. Voting in favor of the motion were Hyde, Harris, Band, Beaugard, Jambard, Lebednick, Whittemore and Rydstrom. No one was opposed. The motion PASSED 8-0-0.*

The Board entered non-public session at 7:13 PM.

### Conclusion of Non-Public Session

*Band moves to seal the minutes and come out of NON-public session in accordance with RSA 91-A: 3-II (a). Voting in favor of the motion were Hyde, Harris, Band, Beaugard, Jambard, Labednick, Whittemore and Rydstrom. No one was opposed. The motion PASSED 8-0-0.*

### Budget Presentation

Hyde explains that during the 1<sup>st</sup> review 2 weeks ago the selectmen presented a budget that met the BudCom's guidance. Since the time when the BudCom established their guidance, the economy has further deteriorated, therefore the BudCom wanted to see what other reductions could be made to create a flat budget.

Manoukian states that the selectmen voted on the proposed budget last night. They made decisions regarding what to do and what not to do. While they took the BudCom's suggestions under advisement and even went through the exercise of finding budget cuts, the BOS voted not to approve any further reductions. Safety is their priority and these reductions would impact safety.

Band explains that when the BudCom asked the selectmen to revise their budget, this request was not done by a formal vote of the BudCom. It was merely discussed by a few members. He presents a spreadsheet showing a list of possible budget reductions. He stresses that this shows where cuts could be made, however none of these changes are being endorsed by the selectmen.

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<b>Department</b>	<b>Proposed Reduction</b>	<b>Amended Budget Request</b>	
<u>Road Rebuilding</u>			
Road Rebuilding	\$ 34,000	\$166,000	Pushing out projects on Federal Hill Rd and Wood Ln
<u>Executive</u>			
Town Report Printing	3,000	5,000	Using lowest bidder for printing
Miscellaneous	1,652	3,748	
<u>Building Department</u>			
Septic Inspector Salary	1,175	8,825	Based on probable trends in economy
Building Inspector Salary	9,032	54,267	Reduction in weekly hours from 40 to 35
<u>Finance</u>			
Conferences & Seminars	1,350	150	
Postage	75	825	
Data Processing	500	10,400	
Mileage	250	200	
BudCom Expenses	400	100	
Deputy Tax Collector	425	175	
Conferences & Seminars	450	350	
<u>Police</u>			
Union Part Time Salaries	25,725	0	Eliminate part time support position
<u>Fire</u>			
Union Salaries	<u>64,904</u>	300,445	Eliminate full time firefighter
Total Reductions	\$142,938		

Band explains that the road rebuilding projects for Federal Hill Rd and Wood Ln have been pushed out for several years already. They can reduce the cost of the town report printing with staff doing much of the work in-house, which will save money. Due to the down trend in building, reducing the hours for the septic and building inspectors will also reduce the budget. The finance office came up with several areas that could possibly be reduced, including cutting back on the number of conferences and seminars for the year. The BudCom expenses were also dropped to only \$100. The biggest items are from police and fire, with the elimination of a part time support position from police and the elimination of a full time firefighter.

Band stresses that the selectmen's position is that the budget that was presented 2 weeks ago represents a critical mass point, below which will begin to impact life safety issues. Less police, less firefighters and pushing off road rebuilding projects are all safety issues and may end up costing the town more in the long run. The BOS feel the proposed budget maintains essential services. This is where the budget needs to be.

Manoukian explains how the BOS stressed to all department heads that there would be no increase in expenditures this year. This was done before the BudCom gave their guidance. The BOS asked for a zero increase to their expenditures and the department heads came back with less. The selectmen presented a budget 2 weeks ago that the citizens of Hollis would approve at town meeting. They did revisit the budget at the BudCom's request, yet he refuses to jeopardize public safety. Every year the town reduces expenditures while the schools go up. He does not support these budget cuts that were just presented. Some of the smaller items can still be reduced, but nothing that will impact public safety.

The Federal Hill Road project has been pushed out too many times. This needs to be done. The people living on this road are taxpayers too. They cannot postpone this again. This is a good budget with zero increases, except for salaries. Cadwell states that they discussed this at length at their meeting last night. There may be a few small items that can be reduced, but the majority of these items are safety issues and he does not support eliminating them from the budget. Petry stresses how at the 11<sup>th</sup> hour the BudCom has sent out an email with another shopping list for the selectmen. The major items in the budget are salaries and health care. They cannot impact the efficiency of this town. The BudCom has asked for wage freezes. He refuses to ask non-union employees to do this when the union employees will not. This recent email will be reviewed, yet some of these items are contractual and cannot be done.

Hyde states that the BudCom set a guidance of a 1.8% for some cost items. The selectmen did a good job to meet this guidance and actually came in lower than the guidance. Although this was a good effort, there is also another side to this,

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which is revenue. Revenue has been reduced substantially. When the BudCom saw a 5.48% increase to the town portion of the tax rate, this prompted them to request lowering the budget further. He has gone through the budget and made some suggestions that will not impact roads, salaries and still maintains public safety. He will present this later. He is disappointed that he is not seeing more proposed cuts that are not safety related.

Calabria explains that the selectmen voted on a warrant article for brush removal with a \$200,000 expenditure, yet there will be an offset of \$150,000 from FEMA. This \$200,000 is now included under capital outlay, which effectively adds another \$50,000 to the budget. They have also revisited their estimated revenues and have adjusted the COLA increases for union employees. These changes result in a 8.05% increase to the town portion of the tax rate.

Harris questions the increase shown on the proposed budget for legal and information systems. Calabria explains that legal expenses from individual departments have all been transferred to one legal line item. This is merely a transfer. The cable tv expenses that relate to the IT specialist's salary have been moved into information systems. This is also just a transfer. Harris questions the increase shown for fire and highway administration. Calabria explains that this is the full year effect of the equipment leases approved last year.

**Guideline Calculations**

	<b>BudCom Guidance</b>
2008 Operating Budget	\$ 9,077,902
In/Out	-
+ Veterans tax credit	192,500
2008 Approved Budget	9,270,402
- In/Out	-
- Veterans tax credit	192,500
- Debt service	1,226,911
Recommended Base	\$ 7,850,991
x Multiplier of 1.8%	141,318
= Base + Multiplier	\$ 7,992,309
+ In/Out	-
+ Veterans tax credit	200,000
+ Debt service	1,325,044
+ Overlay	200,000
Subtotal	\$ 1,725,044
<b>Original 2009 BudCom Recommended</b>	<b>\$ 9,717,353</b>
<b>2009 BudCom Request</b>	<b>\$9,398,636*</b>
<b>2009 Selectmen's Request</b>	<b>\$ 9,440,352*</b>

	<b>BudCom Request</b>	<b>Selectmen Request</b>
<b>2009 Budget</b>	<b>\$9,398,636</b>	<b>\$9,440,352</b>
Real \$ Increase	\$ (79,266)	\$ (30,050)
Actual % Increase	-0.84%	-0.32%
Anticipated Revenue	\$ 3,302,329	\$ 3,302,329
Anticipated Town Tax Rate	\$ 4.90	\$ 4.94
Anticipated % Increase	7.32%	8.05%

<b>* Connected Revenue</b>	
Sidewalk Grant	\$ -
Fire Equipment Capital Reserves	(113,566)
Major Highway Capital Reserves	(55,151)
FEMA Grant	(150,000)
<b>Total</b>	<b>\$(318,717)</b>

Whittemore feels there are other areas in the budget where cuts could be made, yet they chose to pick on public safety issues that they have already said they would not support. He feels they could do this differently without impacting safety. Calabria stresses that they did not pick on safety items. They followed the BudCom's request to find areas to reduce. The selectmen meet with the department heads, who were tasked with finding areas to make these cuts. This list represents the department heads suggestions.

Harris states that department heads will always make cuts to areas that they know will not be supported by the public. Band argues that a large percentage of the budget is personnel driven. Other line items are small compared to personnel, leaving little to cut back on. Police and fire are the largest departments. Hyde agrees that this is personnel driven, yet there are other areas to cut. Towne argues against previous comments. The proposed cuts were not made for shock value. Last year he was asked to come in with a budget that was as low as possible – he came in flat. This year he also came back with a flat budget. All of his operational line items are dependent on the vendors. They have not maintained flat prices, yet he has kept a flat budget. He is taking a hit by keeping it flat. He was asked by the selectmen to find a 1.5% cut from within his budget to satisfy the BudCom's request. He looked over his budget and found that there are no areas to make this cut except for

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personnel. This is the only area from his budget to make this cut, yet he does not recommend doing it. Two years ago he requested adding more personnel, yet this was pulled out. He is already at a position where he needs more personnel, yet if he has to cut back somewhere, it would have to be a firefighter.

Ux echoes the comments of Rick Towne. He points out how 80% of the police budget is for salaries and only 20% for operations. He reviewed his budget all weekend, looking for something that could be reduced. This was the only place he could find. 1.5% of his budget is \$25,000. He could cut the DARE program or the resource officer, yet this was the only cut he could find that would not directly jeopardize safety. He is not cutting an officer, this would be cutting support personnel, yet this ultimately add more burden to his officers, which could become a safety issue.

Beauregard explains that the proposed budget submitted to the BudCom summarized the budget by department, which makes it difficult to look at the different cost categories. Even from within the salary category cuts can be made without cutting a whole position. He feels they can take a little from many places. Towne stresses that he did look at this, but it could not be done. Beauregard feels they need to look at the total town. Petry argues that this is not how the town is run. Beauregard asks if we are a town or a bunch of small businesses.

Manoukian states that he proudly stands behind all of his department heads. They should not be criticized and cannot be asked to cut more. Only 20% of the budget is operational, yet only 20% of the total town taxes are from the town. 80% of the taxes are schools. He feels they should just take this budget to the taxpayers and let them vote. They should stop talking and just go to town meeting. He is proud of the town services and he is saying this as a citizen of Hollis. The department heads did what they were asked. They cannot jeopardize the safety of the town.

Hyde indicates that they are not questioning the motives of department heads. Hollis has excellent administrators and volunteers. Right now they are faced with a tough economic year. There is a fine balance of doing the right thing for the employees and for the taxpayers. He has identified some areas where cuts could be made. A budget of \$8,854,000 would have to be presented to create a zero tax rate increase, yet this is not what he is suggesting. That would be impossible. All he is asking is for something close to this that will not eliminate any employees, yet may hurt a bit.

Jambard is not sure why the selectmen included safety items to be cut. He agrees going with a lower bid for the town report printing is a good idea. He supports pushing out the road rebuilding and cutting back on the septic inspector, yet he does not support cutting back on the building inspector salary and he does not support the fire or police department cuts. Harris questions when the BudCom issued their guidance for the upcoming budgets and if a vote was taken to reduce further than this guidance. Hyde indicates that a vote of 2-3 was taken in September to use the 1.8% multiplier on certain cost items. There was not any further vote by the BudCom regarding changing this guidance. Harris reiterates that officially the guidance from the BudCom is still what it was back in September. Hyde agrees.

Labelednick would not want to see the road projects totally wiped out. He asks if they could do one of these projects this year and hold off on the other until next year. Petry states that they already have a priority list of the roads and what work needs to be done. They have been doing this very thing, working on one road and pushing out the others. Cadwell stresses that these roads of been pushed out for years. The DPW director budgets what he believes will be needed to maintain all roads in the town. Each year this budget gets cut back, with projects being held off, which merely compounds the needs every year. These are projects that should have been completed years ago.

Labelednick questions the number of part time positions the town has. According to this list of cuts, the police have 1 right now. He wonders what other part time positions there may be. Manoukian mention that Jeff Babel did request an additional part time employee to help with employees that are out on medical leave. He was asked to hold the line and make due with what they already have. All departments are working on a bare skeleton. They can't cut back anymore. Labelednick is concerned that the town may get to a point where the payroll keeps getting bigger and town services will suffer because the salaries are too high. He agrees that the town is running on bare bones. Perhaps the schools need to take more of a hit.

Manoukian stresses that town roads, police fire and DPW are essential services for everyone in town. Band adds that the only way to substantially reduce the budget will be to cut essential services. In the absence of taxpayers demanding services to be cut, the selectmen will not support this. Calabria comments that while this may be a 8.05% tax rate increase, this is only a 1.3% increase to the overall tax rate. The town's increase is small relative to the overall tax. The town portion is only 21% of the entire tax. Labelednick asks for an estimate to next year's tax rate. Calabria indicates that he does not have revenue figures from the school yet, therefore he cannot provide an estimate at this time. Labelednick comments that is seems like nobody wants to touch the school but everyone is willing to cut back the town. Hyde points out that the Hollis school budget will create a flat tax rate this year. Beauregard stresses that they have cut 5 positions to get to this point. Calabria explains that he has heard that the State will be pushing more costs onto the county. Last year the town saw a 3% increase to

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their portion of the tax rate, the schools saw 5% and the county had a 5% increase. He cannot estimate what the county will be like this year. Nursing home funding is going to be a big item.

**Chris Hyde’s Proposed Budget Cuts**

Hyde points out how Bill Beauregard created a spreadsheet of the town budget, sorted by cost category. He has taken this spreadsheet and added a few columns to the right, where he has made some suggested budget cuts. He stresses that he does not wish to micromanage the town, yet he feels this will help to reduce the budget without cutting jobs and without impacting essential services.

Cost Category/Department/Description	CWH Proposed Budget	Delta to BOS Proposed Budget
Salaries		
Library	\$ 184,040	\$ (5,887)
Fire – Administration	160,672	(3,718)
Police – Administration	152,850	(4,101)
Executive – Town Administrator	80,701	(2,060)
Executive – Asst. Town Administrator	45,945	(2,880)
Finance – Finance Officer	81,547	(1,630)
Town Building & Grounds – Building Superintendent	70,112	(1,379)
Building & Septic – Building Inspector	62,018	(1,281)
Building & Septic – Septic Inspector	8,000	(2,000)
Communication – Administration	49,705	(1,266)
Executive – Asst. Town Administrator	45,945	(2,880)
Executive – Selectmen	7,500	(8,500)
Executive – Chairman Selectmen	1,500	(2,500)
Parks & Playgrounds – Part Time Director	11,110	(890)
Total – Salaries		(36,091)
Professional Development		
Total – Conferences & Seminars		(8,500)
Miscellaneous		
Budget Committee Expenses	250	(250)
Expendables		
Total – Expendables	208,420	(5,344)
Office Equipment		
Total – Office Equipment	46,123	(36,791)
Maintenance – Building		
Police Station – Contract Cleaning	14,130	(1,570)
Fuel – Buildings		
Total – Fuel Buildings	51,434	(9,567)
Fuel – Vehicles		
Total – Fuel Vehicles	98,913	(8,275)
Communications		
Lawrence Barn – Telephone	500	(760)
Lawrence Barn – Internet Service	0	(629)
Town Clerk – Postage	6,399	(601)
Services		
Assessing Contract	22,000	(6,000)
Programs		
Library – Books & Materials	46,567	(12,833)
Library – Programs	2,650	(400)
Patriotic – Old Home Day	6,000	(7,500)
Patriotic – Patriotic Purposes	1,000	(500)
Heritage Commission	2,650	(400)
Executive – Volunteer Recognition	1,000	(1,000)
Information Technology		
Assessing – Tax Map Maintenance	1,750	(450)
Total Proposed Budget	9,047,190	\$ (135,211)

Petry stresses that it would have been nice if the selectmen had seen this earlier.

Hyde explains his rationale for his suggested budget reductions. He has reduced all administrative salaries. He is holding all salaried positions to a 1% salary increase. Adams points out that the building inspector and assistant town administrator are not salaried positions. Hyde believes the selectmen stipend is too high, therefore he has reduced them to the same level as school board members. Petry questions if they are truly comparing the selectmen to the school board. Beauregard indicates that this is the case.

Hyde feels that all conferences and seminars should be eliminated for this year. He proposes having a 1 year freeze on this. Jambard believes that some of these conferences are mandated by law. Petry argues that many of these are required for certification.

Hyde states that he has cut the budget committee expenses by ½. Adams points out that just yesterday she had to send legal notices to several newspapers to post the public hearings coming up in February. There are 2 notices in several papers, each costing \$60.00. With this cost the BudCom’s expenses may already be overbudget with these reductions.

Hyde took the total for office equipment and reduced this to a level that is still 10% higher than the highest of the past 3 years. The police contract cleaning should be renegotiated or used less frequently. Building fuel was treated the same as office equipment, with the reduction still being higher than the highest from 3 years.

Vehicle fuel was reduced to be flat to last year’s actuals, which includes some extremely high fuel costs. The Lawrence Barn telephone can be reduced by limiting long distance phone calls and there is no need to have internet service at the barn. This can be removed entirely. The town clerk’s postage is also 10% higher than the highest of the past 3 years. Calabria points

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out that the actuals being used for this spreadsheet are incorrect, as they do not contain any December expenditures. These are only through the end of November as the column heading indicates.

Hyde also suggests reducing the contract for assessing services. The town recently had a full revaluation, therefore there is not much left to be done. Petry points out that the selectmen have already signed this contract, which is much lower than most other assessing companies would charge the town. Hyde recommends reducing the books and materials at the library by \$12,000. He is not sure what the line item for library programs entails, but he has reduced this by \$400, which leaves it flat to the actual for 2008. Old Home Days is still showing a slight increase over last year. Calabria explains that the biggest need for Old Home Days is the police and DPW services. The slight increase Hyde is keeping would have to cover those expenses, which means that the OHD committee would be forced to fund their entire fire works budget.

Hyde would like to reduce the Heritage Commission by \$500. This is not a safety related item. Volunteer recognition is nice, and volunteers should be recognized, yet he feels this can also be reduced. Assessing tax map maintenance he set at the highest actual from the past 3 years.

The total of all reductions comes to \$135,211. This does not include the increase mentioned tonight for brush removal and the decrease for union COLA. These reductions gives a 3.4% increase to the town portion of the tax rate. This leaves a budget that is defensible at town meeting. He believes that there are still other cuts that could be made that would not impact safety or essential services. He is asking for the administration to take a smaller increase to their salary, while he is personally taking a zero increase to salary.

**Selectmen Comments**

Manoukian states that they will take these comments under advisement. He points out how the school's fuel negotiation could have saved the town much money. Hyde mentions that the town's negotiations were not good either. He does not feel this is the time to discuss the school's fuel contract. Manoukian points out that Hyde was the one that brought up fuel costs in his suggested cuts. While the town only uses 7,000 gallons of fuel, the schools use 38,000 gallons of fuel. Hyde agrees that in the future they do need to look at how these contracts for heating fuel are being negotiated.

Manoukian stresses that the Selectmen are always looking for ways to save the taxpayers money. They watch every dollar that is spent. Much work went into preparing this budget and these suggested cuts from the BudCom are last minute. He stands behind the budget that was presented 2 weeks ago. He will not budge. Let the town vote on this. These cuts are peanuts when you realize that the schools account for 80% of the tax rate.

Cadwell feels the town is doing a great job this year, as compared to the schools. This is his first time looking over the town's budget. He was hoping to make many cuts to help with taxes, but he does not see anything to cut. The town's budget is the one that gets the most scrutiny by voters, but accounts for only 20% of their taxes. They need to look at the entire budget. Many line items are flat or less.

Petry agrees that the selectmen will look at these suggested cuts. They have heard from one BudCom member who made these suggestions and it appears they are coming from Chris Hyde and Bill Beauregard. He would like to hear from all BudCom members. He would like to know if they also agree with these same cuts. Hyde stresses that this is his list, with no input from other members. Petry indicates that while it does make sense to review some areas to make cuts, these suggestions are making some very far reaching assumptions as to what some line items are meant for. He is lumping the departments together. While this may look good on paper, this may not work in the real world.

Calabria stresses that Hyde needs to use December actuals, since he was using incorrect figures. If he is recommending increases that are based on 3 years of actuals, he needs to use the correct data. Petry comments that it is not good to have so many spreadsheets. It is confusing. Hyde likes to see the budget by category, not just by department. Petry agrees this would be good if all employees and all office supplies were in the same building. Combining something like this will create more work for the employees. They may save in one area, yet would spend more in another, such as overtime.

Band states that this was a noble effort, however he questions many of the assumptions that were made. He agrees that some minor items could be reduced, but in his opinion, this does not change the overall picture. The selectmen presented a budget that was under the BudCom guidelines. He agrees that what was presented 2 weeks ago is the correct budget. He understands that we are in a difficult time, yet the budget is below guidance.

Robert Bartis respectfully disagrees with the suggested library cuts. He has reviewed the library budget with the other library

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trustees and they presented their proposed budget to the selectmen. They went back and made cuts as requested by the selectmen. The library budget is up \$11,000, mostly for salaries. He stresses that the library is a service to the town and any reductions to the budget will result in a reduction in these services. With the current economic times, people are changing their ways. They are not going out to rent movies anymore, they are not going to the book stores, they are canceling their internet service. The library has all of these services available to the public. The recent ice storm saw many people in town using the facilities for many reasons.

Gaye Kulvete stresses how the library provides a measurable value to the town. Their circulation is up 11%, attendance is up 28% and new card holders are up by 10%. Currently 58% of Hollis residents have a library card. This calculates to \$35.00 per year for a family to use the library. This is less than \$1.00 per week. This is an enormous value. Many people are using the facility for internet job searches, DVD rentals, online banking, etc. There is much value for a small amount of tax dollars. She is seeing more people using the library with the worsening economy. She does not support any of the suggested cuts.

Harris thought they were upgrading their library automation software. Kulvete indicates that this has come out of their operating budget. They are not asking for additional funding for this. Their current software is designed for a school system and cannot handle their current circulation. They intend to find funding for this project from elsewhere. It will cost \$29,000 to purchase outright or \$13,000 for 3 years. The cost includes transferring the existing data to the new software. Cadwell mentions that this was included in the original proposal to the selectmen, yet were asked to remove it this year.

Petry comments that there is a long list of cuts that have been made throughout the process that the BudCom has not seen. He would like to have this list of cuts available to them at the next meeting. Hyde agrees there is much value in the library, yet many people that are not availing themselves to the library's services are financially stressed. The reason he is driving for these cuts is to help these same people that are financially stressed. They need to pay attention to these people.

Ux comments about the suggested cut to renegotiate the cleaning contract at the police station. He points out that this has been level funded each year. This is only for 15 hours per week. There is not much wiggle room with this. Hyde disagrees. Beaugard asks if Ux has given any thought to using hybrid vehicles to help reduce fuel costs. Ux indicates that these vehicles are just coming out on the market and he has not had a chance to look into them, yet he make check them out for the future. Petry does not believe hybrids would be any good to use a cruiser. Brookline recently had one of their officers involved in a car accident during the ice storm. This officer would not have survive this crash in a Prius. The police need safety in their vehicles. Beaugard comments that he was not thinking of these smaller hybrids, but something more like an SUV with a heavy suspension. Ux explains that SUV's are not good for using as patrol vehicles, as they tend to be tippy.

Towne points out how the economic times also add to the stress levels of fire and ambulance, where more services will be required. He reminds the BudCom of a time just a few years ago, where the BudCom recommended more money than the selectmen for the purchase of land. He suggest selling some of this land to help out with taxes now.

Gagnon explains how attending conferences and seminars is very important to keep up on changing codes and requirements. He points out that the suggestion to cut back his hours would require him to get another job. He points out how he uses his own vehicle to attend these seminars and does not charge the town for the mileage.

Babel explains that the budget for fuel is based on actual fuel usage and fixed costs. It will be foolish to cut this. He stresses that seminars are needed for his guys to maintain their licensing and certifications. This helps them to keep updated on new items to provide better services to the town. Hyde states that he was only asking for a 1 year hiatus on seminars. He estimated the fuel costs by taking the highest level from the past 3 years and added a slight increase. He does not expect fuel prices will reach the same levels again this year. Babel stresses how the actual fuel usage for 2008 exceeds the 2009 projections.

Jambard comments that Hyde's recommendations proved to be a good exercise, yet the figures need to be adjusted to use the correct actuals.

Labednick has no comment.

Rydstrom thinks the selectmen did a great job. He understands the agony they must go through during this process. He also appreciates what Hyde was attempting to do. The problem is that the world has changed and he cannot support a budget that raises taxes by 8%. They may need to close town hall 2 days per week. He doesn't have all the answers. He thinks the selectmen should present the budget, the BudCom will present a different budget and let the voters decide. If the voters want to increase taxes to fund these services, that is their decision. He cannot support his, but it doesn't mean that the taxpayers will not.

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Whitemore agrees with Rydstrom's comments. He has been a selectman, a school board member and a BudCom member. He has seen all sides. He understands the problems, yet they are in hard times now. Many people do not realize how bad off other people are. He does not feel the BudCom should be micromanaging the budget, yet he feels that with a \$9,000,000 budget, they can afford to make other cuts that will not damage services. He will not support what is being presented.

Beauregard thinks the selectmen have done a good job. They are doing the same thing on the school side. Many hours are spent preparing these budgets. He does not support cutting positions, as this just stresses other areas. He also does not support cutting professional development, as employees must keep up to date on new codes. He also does not want to micromanage the budget. Providing the spreadsheet by category was not his way of micromanaging. That was not his intent. He was merely looking to show the budget in a different view to help the BudCom and the selectmen. The school uses this same model, which has helped them to make cuts to the overall budget. This has been a useful tool for the school, which he though would be for the town as well. He does not want to see any cuts made that will impact services, yet they must keep the tax rate down. He has a hard time supporting an 8% tax rate increase.

Harris also agrees with the other comments. This budget is too much. He can not see how they can justify an 8% increase. They only need to reduce the budget by 1.5% to create a level budget. He also feels it would be a good idea to attempt a flat tax rate impact. This may not be possible, yet they should try. The citizens in town demand a certain level of services and it should be up to them to vote on this.

Band stresses how everyone has made an excellent effort. The proposed budget is at a level they must maintain. To reduce the budget will affect critical services. Ultimately the voters need to decide. The selectmen and BudCom need to agree to disagree.

Hyde does feel they have done an excellent job preparing this budget. He agrees with Band that they should agree to disagree and send the budget to the voters for them to decide. He went through this exercise, not to micromanage, but to assist. He stresses that the public hearing is in 2 weeks. The public hearing on the town budget will be February 10<sup>th</sup> and the public hearing on the school budget will be February 11<sup>th</sup>. Both meetings will begin at 6:30 pm.

Brown asks if there is a new guidance number. Harris feels that at this point they need to hear from the public. The BudCom set their guidance and that should not be changed. All other BudCom members agree.

Hyde points out that Flint Pond has funding that can be turned back to the town to help with taxes. Manoukian stresses that they cannot do this, as the selectmen gave the Flint Pond Association a 1 year extension on their project. Brown points out that it would be very awkward for the selectmen to sponsor a warrant article at this point to return those funds. Rydstrom feels the BudCom should let this one go for now.

**Next Meeting** will be held February 10, 2009 at 6:30 PM in the Community Room, Hollis Town Hall for the Public Hearing on the Town Budget

*Rydstrom moved to adjourn. Seconded by Band. Motion unanimously approved.*

Meeting adjourned at 10:15 PM.

Respectfully submitted,

Deborah Adams, Secretary