



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

Minutes of June 1, 2009

Meeting was held in the Community Room, Hollis Town Hall, and was called to order by Chairman Chris Hyde at 7:05 PM.

Members present: Chris Hyde, Chairman; Peter Band, Selectman Representative; Ray Valle, Tom Jambard, Bob Labednick

Also present: Paul Calabria, Finance Director.

Minutes:

1. January 5, 2009

Tom made a motion to accept the minutes as printed; motion was seconded by Bob.
All in Favor, No Opposed, 1 abstention: Ray

2. May 4, 2009

Ray moved to accept minutes with the following two amendments:

- o Under **School Report**, replace "that we they are" with "Hollis School District is"
- o Under **Review of 2009/10 Budget Adoption Process**, insert "Budget report by category of expense" before "based on a unique Chart of Accounts".

Tom seconded the motion; All in Favor, No opposed.

Public Input:

The recommendation was made by Ray to add a hyperlink to the Budget Committee web site so that the public can email questions and comments which can be read for discussion at the meetings. Name and street address will be required in the email, just as people do in person at the meetings. The town staff can monitor the email queue.

School Report:

- o Bill was not able to attend. He emailed out the budget and they are on target.
- o The School Board requests that the guidance decision be made in September, rather than August. The reason is that the School Board will have a draft budget (without impacts of contracts) on the second Wednesday in September, and would like that context to be input to the Budget Committee's guidance decision on the fourth Tuesday in September. The Budget Committee did not see any issues with this request, and Chris indicated that a formal vote was not required.

Town Report:

- o Paul reported that the town is on budget after four months, and they will continue to track revenues closely.
- o Peter indicated that there was a need to dip into contingency for repair of the fire truck pump.
- o Peter reported that at the Selectmen's meeting, concern was voiced about the lack of communication when the oil contract was signed by the schools. The Board of Selectman requested a cause and corrective action review from the school. The town would like to review/participate in future contract negotiations to realize potential savings.
 - o Ray wants the Coop School Budget Committee to be included moving forward, to see if we can we get even greater increases in savings.
 - o Each contract is individually administered now (three separate contracts).

Environment and Events:

- o FYI: Boston Metro Region CPI (year over year change by month) is 1.125% CPI – several months have been flat and then were down the last two months.
- o The Case-Shiller Home Price Index shows that prices are -19% countrywide, and metro Boston is -8%.
- o The Senate is voting on the two year (biannual) budget this week, so if the State cuts revenues, it impacts us for

that duration. Troy sent out the Legislative Bulletin last week, and Chris highlighted the potential impacts to Hollis:

- Suspending the Business Profits for Revenue Sharing would impact by ~\$50,000. In 2008, Hollis received just over \$50,000 in business profits shared revenues
- For Rooms and Meals Tax, Hollis received \$339,000 in 2008.

If these two were suspended, it could result in a potential impact of ~\$350,000. To make up the lost revenue, it is estimated that it could add \$.30/thousand to our tax rate.

- The Revenue sharing for schools impact is \$60,847 for Hollis. Combined with the Coop School District, with a 60/40 split of \$367,927 (~\$250,000 for Hollis), this could equal over \$310,000.
- For retirement contributions, three entities contribute: employees, local government, and state.
 - State currently contributes 35%; proposing to reduce to 30% in 2010, and 25% in 2011. This would shift the cost to the towns.
 - In the retirement system, there is a medical subsidy account. Retirement systems are planning to eliminate \$17 million state liability, and let the towns take over this.

Extra and Special Duty Pay:

- Police and Fire get special duty compensation pay. The state has been the responsible entity to bill and collect this. The proposal is to push this to the towns to bill, report, and monitor (potentially more administrative costs).
- Highway Funding Block Grant – We get 12% of this for use on our roads.

Chris indicated that the Senate gets lobbied intensively from special interest groups, and rarely hears from citizens, so he encourages members and the public to give Margaret Gilmore a call or email on these issues.

Guidance Process Discussion – Approaches, Timeline, and Info Needed

Chris shared a graph that he contributed to the Annual Report that shows the average taxes paid by a sample of \$350,000 houses showed a 2.5% increase from 1994-2004. For the last 5 years, there has been a 6% compounded annual growth rate, resulting in a 33% increase in five years. In our guidance, we need to start considering the tax impact to people. Chris proposes that we discuss how we could implement a structure around leveling the tax impact.

The town had the biggest growth acceleration impact over this time period, followed by the Coop and the Hollis schools. (Ray stated that this year the Coop will be lowest). In 2002, the town's debt service was 3% of the town's tax rate, and in 2007, the town's debt service was 21% of town's tax rate. Paul stated that the Selectmen have come in with well thought out budgets, and have been overridden by the Budget Committee and Town Meeting.

Chris described the need to itemize all the things that the town does and prioritize them. Peter indicated that this has been started.

For data analysis, we need accurate revenue estimates:

- For the state, the Biannual will be completed by July.
- For the town, Paul will have the revenue estimates in August.

Chris recommended inviting Senators and reps for a discussion, and Peter indicated that the Selectmen are planning to do this. This resulted in the suggestion to have a combined July meeting with the Selectmen and Ray asked to have the Coop Committee invited also.

There will also be a Functional Review by Entity moving forward at each meeting (Library, DPW, Fire and Police).

Other Business

- The Committee will meet on the fourth Tuesday of June (June 23rd) as scheduled. Proposed agenda items are:
 - Prioritized List for Facilities Maintenance – First Pass
 - Functional Review: Library (Paul to contact Chair)
- Chris suggested that the Budget Committee combine with the Selectmen's meeting, and include the Coop Board. Paul will check with Troy to determine the feasibility of doing this.

Motion to adjourn was made and seconded. Meeting adjourned: 8:35 P.M.

Respectfully submitted,
Donna Drottar, Recording Secretary