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## TOWN OF BROOKLINE, NEW HAMPSHIRE

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### 2020 BudCom Study Committee Minutes Thursday, June 25, 2020

Meeting attendees via Zoom: Drew Kellner, Eric Pauer, Matthew Mailloux, Karen Jew, Gaylord Sledge

Eric opened the meeting at 4:31p.m. Eric stated that we were meeting electronically under the Executive Order 2020-04, and the Emergency Meeting Orders #12 and #23 which allow for remote meetings. Eric asked each Board member to verify per the order where they are, why they are there, and if anyone is present with them. All members responded.

#### **Review and approve minutes**

Eric made a motion to approve the minutes. Drew moved and Karen seconded. Roll call vote 5-0 to approve.

#### **Review actions assigned at last meeting**

##### **Gather MS636 and MS 637 data for peer towns (Matt)**

Matt led the committee through the process of his analysis of the peer town data. For population Matt used the 2010 census data and the estimates for the years through 2020. This data was presented 2 weeks ago and updated for all peer towns.

Matt included the CPI –U index computed by the Bureau of Labor and Statistics for the Northeast Region. For 2020 he used January through May as an even average. It is consistent with previous years. Once June's data is available he will update the file. This information was used to show the inflation adjusted budget for each year in 2015 dollars. The base year for our analysis is 2015.

The peer town's fiscal years vary from town to town. Matt's approach was to not standardize the data and treat each fiscal year cycle on its own.

The file contains 5 years of data for each peer town for the following: *Operating Budget Appropriations, Special Warrant Articles, Individual Warrant Articles, Total Appropriations, Less Amount of Estimated Revenues & Credits, and Estimated Amount of Taxes to be Raised.*

The pivot tables were separated by towns without a Budget committee (MS636) and those with a Budget committee (MS737). The MS636 data has Select Board recommendations and the MS737 data has both Select Board recommendations

and Budget Committee recommendations. The pivot tables are set up as percentages rather than dollar amounts to standardize what percentage change budgets have seen.

New Ipswich changed from having an official Budget Committee from 2015 to 2019 to an unofficial Budget Committee in 2020.

### **Questions/comments:**

Eric – should we combine New Ipswich data to keep it consistent and have an asterisk for the last year?

Drew – New Ipswich is an interesting case, they are comparable in population to Brookline. Maybe we should remove the data but do a qualitative analysis to understand why they made the change.

Matt – the filter on the graphs are just for the operating budget. Brookline falls in the middle of the group for peer towns without Budget committees.

Gaylord – including all warrants and/or total appropriations skews the data from year to year.

Matt – Peterborough is a great example with a one year spike over 200%. The same is true for several towns in 2020.

Drew – we may be able to look at Brookline's conservation land purchase to understand the warrant impact shown in the MS636 data. The amount approved was larger than what the bond was issued for.

Eric – the operating budget has less variance in the numbers. Warrant articles, while appropriated, are not always all spent in the same year.

Drew – looked up the New Ipswich warrant for 2018 article 16, to see if the town would vote to form a budget advisory committee pursuant to RSA 32:24.

Matt – the information included in the graphs only represents what was recommended not what was passed via votes.

Drew – other than the 10% cap, the will of the voters can still change recommendations within bounds.

Matt – Form MS232 shows the appropriations actually voted in.

Karen – for schools it's the MS22 form. The two forms together give the full picture of what happens.

Eric – is the same form used for a budget committee and an advisory committee?

Drew – if the formal budget committee is more prudent at allocating tax dollars from a budgetary standpoint, then we should be looking at recommended appropriations. Taxpayers are unpredictable in how they react at a town meeting.

Matt - using a simple average, the average increase in MS636 budget is 108%, if you do the same for MS737 budgets, using the budget committee recommended, the average increase is 109.8%. Based on this information, there isn't a statistically significant difference in results between the structures for how a town's operating budget changes over time. If you exclude the Brentwood (127%) and Greenland (133%) outliers, the MS737 average increase would be 106.1%. If you exclude Henniker (119%) and Milford (118%) from the MS636 data, the average increase would be 106.4%

Drew – it would also be interesting to see a single line graph that overlays the MS636 with the MS737. Where would Brookline fall in that data set? If we still fall in the middle is there qualitative reasons that we would look at a budget

committee. Could we see a graph with Brookline's data in one color, MS636's in another color and MS737 in a third color?

Karen – what is most important to voters; taxes or separation of power?

Matt – noticed when comparing a Selectman recommendation, to a budget committee recommendation, there is very little differentiation between the two. In some cases the numbers are the same for the 6 years of data.

### **Gather MS26 and MS27 data for peer schools (Karen)**

Karen – MS26 and MS27 data from the DRA, as well as the Brookline enrollment, cost per pupil and state average cost per pupil.

The file contains 5 years of data for each peer town for the following: *Operating Budget Appropriations, Special Warrant Articles, Individual Warrant Articles, Total Appropriations, Less Amount of Estimated Revenues & Credits, Less Amount of State Education Tax/Grant, and Estimated Amount of Taxes to be Raised.*

Gaylord - MS26 and MS27 line graphs incorporated the population and CPI data gathered by Matt. There are gaps in the population data for towns that are not included in the peer town group. Additionally, in the cases where there are co-ops, one town was chosen to represent where we had data.

### **Questions/comments:**

Karen - there were only 2 or 3 times on the MS27 forms when the budget committee had a different recommendation from the school board.

Matt – we need a second set of columns for the population and inflation adjustments for the MS27's.

Drew – we are looking at the same analysis that we discussed for the towns.

Should we be using school population to normalize the numbers? We need DOE's school population for this analysis.

Eric – we should use the school population.

### **Send video of March 11, 2020 town meeting to committee (Drew)**

Drew – There were two main themes in the video: 1) Is there sufficient interest to staff the committee? 2) What is the problem the committee is trying to solve?

What is the essential question that we as the study committee are looking at?

- From a governance perspective is it more prudent to separate the budget and the actual spending? (Qualitative)
- Is the assumption that a formal budget committee would be more effective at prudently putting forward spending and budgets? (Quantitative)
- 

Eric – based on the March 11, 2020 town meeting, the idea is a separation of powers between the appropriation and the expenditure wasn't enough for some people.

Matt – the data may show that there are other factors beyond the structure that have a much bigger weight on the trajectory of the town budget, than whether its advisory or statutory. Based on the data, there isn't a wide disparity based on the structure.

### **Other business**

Matt – charter includes a mention of soliciting input from residents.

Eric – an email address is set up for input. People need some initial insight before they can provide meaningful feedback.

Drew – will be on the Monday Select Board agenda to discuss the process of the BudCom committee.

Drew - showing Brookline trend line compared to budget committee towns and non-budget committee towns and the same for the school trend lines, will provide the residents something to look at. Then we could ask, if you had to vote on this, how important is quantitative data and how important is the qualitative data? Is taxation level more important or is separation of duties more important? At the same time we could ask if anyone would be interested in potentially participating as a member. Based on a comment from the meeting, this is something we need to gauge. It may have been a factor in New Ipswich.

Eric – the other governance people look at is the SB2 system. What does the variance look like from year to year in the comparisons?

Drew- the SB2 system is outside of our charter.

Matt – there is something to be said for stability.

Drew – provided an article on the Brookline police department spending versus other towns. The article points to the NH Public Finance Consortium site (<https://nhpfc.org/>) which has information on all types of municipal spending in NH.

### **Actions for next meeting**

Matt – update town data pivot tables to combine MS636 and MS737 data and color code. Update school data for student population and provide similar pivot table to town data.

Karen – to submit DOE data request sheet for student population.

Drew – will look into the change in New Ipswich.

### **Confirm next meeting date**

The next meeting will be July 9, 2020 at 4:30pm.

### **Adjourn**

Meeting was adjourned at 6:00pm.