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TOWN OF BROOKLINE, NEW HAMPSHIRE

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2020 BudCom Study Committee Minutes Thursday, July 23, 2020

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

Eric opened the meeting at 4:36p.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

Drew made a motion to approve the minutes as amended. Matt seconded. Roll call vote 5-0 to approve.

Review actions assigned at last meeting

Eric – tried contacting Wilton, Greenland and Auburn. He hasn't gotten a response yet.

Karen – spoke with finance committee members from Henniker and Milford.

The finance director in Henniker has been in place for 30 years. He is adamantly against a budget committee. He thinks a budget committee has too much power and is not something you wade into unless there is an issue. He doesn't believe in taking power away from the select board. He also wasn't a fan of the statutory restrictions of a budget committee.

The Henniker committee meets via town hall streams on Saturdays. There is a lot of public input. The advisory group works well with the select board. He did not touch on the relationship with the school board.

The finance director in Milford said they have a great relationship with the select board. Most of the committee has been there a long time. They know how the system works and that makes a big difference. He would lean towards an advisory committee. The finance committee is knowledgeable and asks good questions.

They attend a lot of the meetings. When it is budget season they meet weekly and everyone is in attendance.

Gaylord – spoke with Cary Hughes the chairman of the Wilton Budget Committee. Here is a recap of the conversation.

- Joined in 1985 – longest serving member
- 7 to 8 people on the committee – all elected Wilton residents with the exception of the appointed member from the select board
- Merged schools with Lyndeborough–no longer have a school board representative
- Newest member has 2 years of service on the committee.
- Looks for members with backgrounds in accounting, budget, or business management
- They've worked over a period of time to build their budget policies on how they work with selectman.
- Work with the select board to address issues as they arise.
- This year there were extra meetings to discuss how to deal with the budget impact of Covid-19.
- Likes a budget committee because it has more teeth than an advisory.
- A budget committees recommendations have more power.
- Hard to find people. Wants people without political agendas. They have people join meetings to see if they are interested.
- 3 year staggered terms.
- Having a good relationship with the town administrator is very helpful.
- Invited us to attend a meeting.

Discussion with Mike Harris – Hollis Budget Committee

Mike Harris is the former chairman of the Hollis Budget Committee. He has been on the committee for over 30 years. When he first joined the committee they reviewed every line item of the budget. When he became chairman (about 20 -25 years ago) they changed the approach. Less to what the departments (town or school) were proposing, and more to manage the tax effort over time. The goal was to keep the inflation and tax base adjusted tax rate flat over time and try not to limit services. They permit budget growth with the rate of inflation using the August inflation statistic. They also permit growth for increase/decrease in the budget according to student population (for the school budget) and for property tax base increase (for the town budget). They do not do it strictly based on population.

The formula used is:

Prior approved budget

Less:

Bond payments

Contracts

Special Ed costs (for the school budget)

Other items voted on at meeting

Equals – Base budget

This base budget is increased by the cost of inflation or tax base increase.

Plus/minus:

Bond payment changes

Equals – Proposed budget

The proposed budget is given to the selectman for the town's consideration of funding. They don't get into the particular details of the budget. They feel the people elected should decide on the priorities. They do review the budget and comment on items that appear out of sync. They try to avoid large swings in the tax rate. Any windfalls may be taken over a period of years. They also track debt. They will allow additional debt when old bonds are paid.

While the Coop budget is done by a different budget committee, they do communicate and are aware of any new bond requests. They will take that into consideration when calculating their number. They will also advocate positions if they determine there is excess spending on the Coop school budget.

They track the bond ratings and try to keep a 10% cash reserve based on the total budget. The reserve also includes the Hollis portion of the Coop. They do a capital reserve for revaluations. They do not do capital reserves for equipment purchases. The thought is to not make past population pay for future population needs.

The budget committee gets a monthly report from the school and town on spending. This is to monitor spending compared to budget. They also review contracts to make sure there isn't a future liability over time hidden in the detail. The relationship between the selectmen/school board and the budget committee has been good.

The budget committee is made of people with various backgrounds and ages. There are 5 elected members with 3 year terms. Their formula plays a big role in managing the budget since the committee is not made up of financial professionals.

Other business

Drew – do we want to have a discussion about our October 1, 2020 deliverable? We want to make sure we have time to solicit and receive public input. We may want to seek to push it back to November 1, 2020 keeping within the spirit of the town request for a deliverable. We are not currently in position to put information in front of the public.

Eric – we can make assignments to put together data at the next meeting after reviewing information from other finance and budget committees.

Actions for next meeting

Karen – will try to contact someone from the finance committee in Rindge as well as having follow up conversations with Henniker and Milford. Invite the person from Henniker to speak at our next meeting.

Matt – will continue to work on pivot analysis.

Eric – will continue to follow up with other towns with budget committees besides Hollis.

Confirm next meeting date

The next meeting will be August 6, 2020 at 6:30pm.

Adjourn

Meeting was adjourned at 5:55pm.