



## TOWN OF BROOKLINE, NEW HAMPSHIRE

### FINANCE COMMITTEE

P.O. Box 360 – 1 Main Street

Brookline, NH 03033-0360

(603) 673-8855

<http://www.brookline.nh.us>

#### 12/13/2004 APPROVED MEETING MINUTES

### Attendance

#### *Present:*

Betty Hall, Chair

Jack Flanagan, Vice Chair

James McElroy, Secretary

### Call to Order

Betty called meeting to order at 7:13 PM.

### General Business

#### *Budget Spreadsheet*

Betty asked James to send a copy of the spreadsheet he prepared analyzing the 2005 budget to herself and Jack.

#### *2005 Budget Guidelines*

Betty suggested that the Finance Committee determine how much the 2005 budget would increase if the Board of Selectmen used the guidelines the 2004 Finance Committee developed (no increase except for salaries, insurance, and debt service).

Jack suggested that the committee factor in a 3% cost of living increase.

The committee discussed the merits of using a 3% cost of living increase or using a flat budget. James and Jack felt that a 3% cost of living increase wasn't unreasonable given the rising cost of oil. Betty disagreed, saying that the budgets already factored in that cost. James and Jack disagreed, but the committee agreed that using a target of no increase was reasonable.

#### *Land Acquisition Fund*

Betty noted that she would like to see the land acquisition fund used to pay conservation land bond interest when the balance of the land acquisition fund gets too high.

James asked what number would be too high.

Betty pointed out that the Conservation Commission has used land acquisition fund money to make bond payments in the past.

Betty suggested that conservation land purchases should be made with bonds instead of the land acquisition fund.

James pointed out that using bonds to fund conservation purchases costs more due to interest.

Jack noted that bonding allows the town to spread the payments for land purchases across a longer time period.

### Budget Increases

Jack pointed out that the police budget is up \$42,000.

Betty noted that she would like to have each department tell us what they really want, and the finance committee should then say whether we think that is too high and how much we think the budget should be cut.

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***Basis for Budget Recommendations***

James asked what basis the Finance Committee uses for making budget recommendations: what we think residents can afford, or what the town needs.

Betty answered that it's not unrealistic to base the budget on what residents can afford.

James asked if that would hurt the town in the long term.

Betty answered that the town doesn't need to spend money on everything it's currently spending money on.

Jack mentioned the Conservation Commission's \$7500 parking lot and the Emergency Management's food budget of \$900.

James asked if town growth warrants increases in the town budget.

Betty answered that growth increases taxes coming into the town.

Betty suggested we ask the Selectmen if they can justify raising the budget by the percent they've suggested. She suggested our target be 0, and that the Selectmen need to justify any increases beyond that.

James asked if we include income in our budget calculations.

Jack answered no because the town has no control over income.

Betty agreed, explaining that the tax rate is based on the difference between what is appropriated and the income that comes in. She noted that the Selectmen have complete control over how income gets shifted around the budget.

***Operating Budget Calculations***

The committee reviewed the current proposed 2005 Operating Budget to estimate the portion of the budget that the town has no control over.

James asked whether the committee should include projected income or debt payments. Jack suggested that the committee should focus only on the operating budget, since the cost to run the town shouldn't necessarily go up on January 1. Betty pointed out that the Finance Committee will factor in projected income and debt service later in the budgeting process.

The table below reflects the calculations for both a "flat" operating budget (except for increases to salaries and insurance) and an operating budget including a 3% increase in the non salary and insurance.

These estimates **do not include** estimated revenue, warrant articles, or the decrease in debt payments for 2005 (Jack pointed out that factoring in the decrease in debt payments would make it more challenging to keep the budget flat).

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**Finance Committee 2005 Operating Budget Estimates**

*(Not including revenues, warrant articles, or changes in 2005 debt payments)*

Item	2004	2005	2005-2004 Increase	
			\$	%
Election and Registration Salaires	\$ 960.00	\$ 240.00	\$ (720.00)	-75%
Office Salaries	\$ 95,900.00	\$ 104,150.00	\$ 8,250.00	9%
T. Clerk/T. Collector's Office - Salaries	\$ 69,500.00	\$ 74,300.00	\$ 4,800.00	7%
Police Salaries	\$ 349,196.00	\$ 357,795.00	\$ 8,599.00	2%
Police - Overtime Salaries	\$ 20,000.00	\$ 32,000.00	\$ 12,000.00	60%
Police - Private Detail Salaries	\$ 20,000.00	\$ 30,000.00	\$ 10,000.00	50%
Ambulance - Paid Attendants	\$ 68,586.00	\$ 71,850.00	\$ 3,264.00	5%
Fire Department Salaries	\$ 14,000.00	\$ 19,000.00	\$ 5,000.00	36%
Fire Department Salaries - Full Time and Clerical	\$ 48,950.00	\$ 57,100.00	\$ 8,150.00	17%
Building Inspector Salary	\$ 18,500.00	\$ 28,100.00	\$ 9,600.00	52%
Library Salaries	\$ 90,888.00	\$ 102,937.00	\$ 12,049.00	13%
Pest Control Salary	\$ 3,200.00	\$ 3,200.00	\$ -	0%
Personnel Administration	\$ 219,558.00	\$ 236,687.00	\$ 17,129.00	8%
<b>Total Salaries and Insurance</b>	<b>\$ 1,019,238.00</b>	<b>\$ 1,117,359.00</b>	<b>\$ 98,121.00</b>	<b>9.6%</b>
<b>Total Budget</b>	<b>\$ 2,893,952.00</b>	<b>\$ 3,208,010.00</b>	<b>\$ 314,058.00</b>	<b>10.9%</b>
<b>-Salaries and Insurance</b>	<b>\$ 1,019,238.00</b>	<b>\$ 1,117,359.00</b>	<b>\$ 98,121.00</b>	<b>9.6%</b>
<b>= "Base" 2004 Budget</b>	<b>\$ 1,874,714.00</b>			
<b>Base Budget</b>		<b>\$1,874,714.00</b>		
<b>2004 Salary and Insurance Cost</b>		<b>\$1,019,238.00</b>		
<b>+Salary and Insurance Increase</b>		<b>\$98,121.00</b>		
<b>= "Flat" 2005 Budget excluding salaries and insurance</b>		<b>\$2,992,073.00</b>		<b>3.4%</b>
<b>Base Budget</b>		<b>\$1,874,714.00</b>		
<b>3% Cost Of Living Factor</b>		<b>\$56,241.42</b>		
<b>2004 Salary and Insurance Cost</b>		<b>\$1,019,238.00</b>		
<b>+Salary and Insurance Increase</b>		<b>\$98,121.00</b>		
<b>= 3% COL 2005 Budget excluding salaries and insurance</b>		<b>\$3,048,314.42</b>		<b>5.3%</b>

**Discussion with Selectmen**

The Finance Committee left to meet with the Selectmen to discuss the committee's estimates.

Betty explained the committee's calculations to the board and asked the Board to reduce their proposed budget by about \$200,000.

A lengthy discussed followed about whether the Finance Committee's calculations should include other variables, such as projected income, ambulance payments, and changes to bond payments.

The Finance Committee agreed to revise the calculations based on any other items that the town has no control over, such as the ambulance lease payment.

Betty pointed out that the first step in the budgeting process should be to look at the operating budget, and that the Finance Committee would look at the other numbers later. Betty pointed out that this is the same process the Finance Committee has used for the past 2 years and said she felt it worked well in the past. Betty noted the Finance Committee asked the Board of Selectmen to reduce their budget last year, and they did.

Jack explained that the Finance Committee felt that the operating budget should be based on costs, not on expected revenues. Jack added that if the revenue ends up decreasing the budget further, that would be great.

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The Finance Committee explained their calculations to the Board of Selectmen and offered to make specific recommendations about potential savings if desired.

Betty asked if the Finance Committee should meet with the Selectmen before the public budget hearings, and a date of January 3<sup>rd</sup> was tentatively agreed to.

**Motion to Adjourn**

Betty moved to adjourn, seconded by James. Approved 3-0. Meeting adjourned at 9:10 PM.

**Minutes Approval**

Submitted by: James McElroy

Approved on: 1/15/2005

Approved by:

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Betty Hall

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Jack Flanagan

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James McElroy