

## Ways and Means Notes – December 4, 2017

### Questions/comments:

- Recommend Jim hire a HR specialist or part time person (possible tasks include salary surveys, best practice benchmarking, assessing alternative benefits providers, etc.)
- The proposed COLA average for 20 nearby communities is 2.5% (including Steps); median is 2.0%, but Amherst recommended COLA is 2.5% (NOT including Steps). What is the justification for 2.5% versus 2.0%? Is Amherst not planning on awarding Steps? If so, what is the combined COLA/Steps percentage increase?
- What they are doing with the ACC? Why?
- What are the Selectmen going to do with Police station renovation fund?

### Topics for the W&M Article

1. DPW – move towards a more balanced strategy to care for the roads that are in good shape and without losing sight of the roads that are most in need of repair. Helen will provide a paragraph discussing this.
2. Bridges. Continue on with year 2 of DPW's 7 year plan to fix all bridges and have them in good condition. ONLY ADD THIS IF THE BOS WILL NOT FUND IT
3. The town can save \$24,000 if it goes from 2.5% to 2% COLA, thereby covering the costs (and then some) of some of the Conservation Commission requests, which includes getting ahead of certain invasive species that are taking over. Delaying this work would make the costs higher in the future.
4. Police station capital reserve. We do not think it is ready to be funded because there is no clear plan as to what will be done with the money. We are willing to recommend this is deferred another year until we know how it will be handled
5. There is a systematic problem that needs to be brought up. But it is not directly linked to the currently proposed budget so Ways and Means has limited ability to influence it. W&M may have to settle for increasing the issue's visibility with the taxpayers.
  - a. In the past several years the Town has consistently under-estimated revenues and under-spent the budget. This past year it the combination of these two factors was more than \$1,000,000.
  - b. Since a town cannot have extra money lying around, that money needs to go somewhere. The State requires these monies to be transferred to a fund known as the Unassigned Fund. This fund represents a "rainy day" fund for the Town.
  - c. The Department of Revenue recommends that this fund be maintained at a balance of between 8%-17% of the combined schools, town, and county budgets (i.e. of the General Fund).

- d. Recently, the Board of Selectmen implemented a policy whereby the town should maintain an Unassigned Fund Balance of 10%, and half of any money over that should be returned to the tax payers via reduced December tax bill.
  - e. If budgeting practices are not changed, the Unassigned Balance will likely continue to grow by an average of ~\$900,000 per year, and the Unassigned Fund and will likely average between 11% and 12% of the General Fund Balance.
- Issues:
- i. The funds in the Unassigned Balance have been extracted from the taxpayers and are producing no benefit for the Town
  - ii. The Unassigned Balance had never been as high as 8% in the Town's history until 2 years ago, and that fact had caused no problems
  - iii. The target of 10% balance versus 8% (or some even lower percentage) has no particular rationale behind it
  - iv. the difference between an 8% target and a 10% target is ~\$1,000,000 of tax monies collected but not being used to benefit the Town
- f. Proposing an alternative policy and use(s) for excessive Unassigned Balance funds is beyond the scope of Ways & Means charter. However the funds involved that have been collected in the Unassigned Balance over the last few years vastly exceed any potential waste or inefficiencies in the Town Budget.
  - g. Ways & Means recommends that the voters/taxpayers engage with the Selectmen to understand the thinking behind the current policy and what use(s) should be made of any excess monies in the Unassigned Balance. (NOTE: Monies can only be disbursed from the Unassigned Balance 1) by the Selectmen to reduce the tax bill, or 2) by a Warrant Article approved by the Town's voters, or 3) by emergency authorization from the NH Department of Revenue.)

### **Members Present**

Elaina Bedio  
 Sarah Bonnoit  
 John D'Angelo  
 Peter Moustakis  
 Helen Slottje  
 David Sullivan

### **VOTES**

Article 21 – Has no tax implication, therefore the Ways and Means Committee does not have a position

Article 22 – Waiting to receive a final budget before voting

Article 23 –	6	For	0	Against	0	Abstain
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Article 24 –	6	For	0	Against	0	Abstain
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Article 25 –	6	For	0	Against	0	Abstain
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Article 26 –	6	For	0	Against	0	Abstain
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Article 27 –	6	For	0	Against	0	Abstain
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Article 28 –	6	For	0	Against	0	Abstain
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If the total number is \$275,000 total, if not we will revote

Article 29 –	6	For	0	Against	0	Abstain
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Article 30 –	6	For	0	Against	0	Abstain
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Article 31 – Ways and Means believes this was concluded last year, therefore Ways and Means does not have a position

Article 32 – There is no Article 32 listed

Article 33 – Article 33 has no tax implication, therefore the Ways and Means Committee does not have a position

Article 34 – Article 34 has no tax implication, therefore the Ways and Means Committee does not have a position