

Memo

To: Board of Selectmen

From: David Cressman
Town Administrator

Date: March 18, 2021

Re: 2021 Budget

Almost two weeks ago the voters supported the Budget Committee's recommendation to support a Default Budget. This has resulted in a gap of \$105,009 between the Budget recommended by the Deliberative Session of Town Meeting and the Default Budget. The \$105,009 reflects a 1.87% increase adopted by the Deliberative Session in contrast to the 1.21% increase originally supported by the Budget Committee.

Since then, I have heard numerous suggestions of what the vote means. For example, some individuals have stated that the vote means each department must live within its 2020 budget. If so, that suggests the Budget Committee and voters supported reducing public safety in Atkinson as the Police, Fire & Building Departments budgets would have to be reduced by \$141,312 or 7.6%! Additionally, continuing with such logic, the Selectmen would run the risk of not being able to do the mandatory real estate assessment as that account would be unfunded by \$29,000. Clearly, this is not logical or reasonable. Instead, the law, NH RSA 32:10 and a NH Supreme Court decision in the case of Sullivan v. the Town of Hampton in 2006 suggests the Board of Selectmen has authority to transfer funds from one account to another provided the appropriations bottom line is not exceeded.

Looking ahead as to how to handle the budget, I suggest the Board of Selectmen use the Deliberative Session Budget and adopt a motion to reduce various accounts by \$105,009. The Town's Finance Director can then construct the actual transfer document which Selectmen will then need to approve to follow the law and the court case.

To assist you in reaching the \$105,009 level of reductions, I have prepared the attached chart showing \$105,583 in budget reductions after meeting with the Town's department heads. Additionally, I will suggest that we hold in reserve some additional budget reductions as well as

slow spending wherever possible to assure that we stay within the \$5,232,035 budget as some of the proposed savings(Police cruiser gas, salt, and winter plowing savings) may not materialize plus there may be some accounts which may need transfers due to events beyond their control.

For your information, the reserve list of budget reductions would be the following:

\$3000 Cable TV part-time staff

\$9550 IT for Police Server & 3 computers all of which need to be replaced

\$6000 Worker Comp premium savings due to a good safety record

\$3800 Fire Dept. Inspectors & Cleaning Service

As of now, I am concerned about costs in the Solid Waste & Streetlight accounts, which may exceed their budgets.

Finally, the federal government recently enacted the American Rescue Plan and funds may be available for Atkinson from that plan. However, at this time, details are scarce.