

Approved Minutes
NORTH HAMPTON BUDGET COMMITTEE
Meeting
Tuesday, December 13, 2005

These minutes were prepared as a reasonable summary of the essential content of this meeting, not as a transcription.

Attendance

Present: (1) Mary Pat Dolan, Chair; (2) Terry Conklin; (3) Don Gould, Selectmen Representative; (4) Richard Robinson; (5) Larry Miller; (6) Sue Spencer; (7) Michael Pardue, Town Administrator; (8) Catherine Purington, stand-in Recording Secretary. (9) Mr. Paul Marston; Absent: Mr. Andrew Hart; Mr. Peter Simmons

Ms. Dolan convened the meeting of the Town of North Hampton Budget Committee (Committee) at 6:35 p.m. on Tuesday, December 13, 2005 in the Mary Herbert Conference Room at Town Offices in North Hampton.

Items Considered

Mr. Gould provided the Committee with three documents: the proposed budget; a list of the warrant articles recommended by the Board of Selectmen (Board); and a spreadsheet showing details of the warrant articles. He proposed that he go over the changes in the Warrant Articles and any questions that anybody had. Ms. Dolan pointed out that the Library Trustees wanted to speak to the Budget Committee separately about their Warrant Article. It was decided that the Trustees of the Library should present their case to the Committee before the Committee reviewed the other Warrant Articles.

Library Trustees' Presentation

Mr. Gould reviewed what had already been discussed in the meeting of the Board of Selectmen earlier that day. He stated that there was a 2-1 vote in favor of not advancing a separate Warrant Article for the library. Legally either the Trustees need to advance a Citizen's Petition or the Board of Selectmen must propose a Warrant Article.

Linda Hilliard spoke for the Trustees. She provided two documents to the Committee: a history timeline of the library and a description of the Warrant Article proposed by the Trustees. She pointed out that the current space in the Library is below recommendation; that by law it is the duty of the Trustees to request sufficient funds for the support and maintenance of the Library; that the Trustees feel that this fund would be a prudent, proactive way to build up fiscal savings toward the beginning of a large project such as a library addition or new building; and that the remainder of the money would be raised by private fundraising.

Emily Creighton explained that the Trustees feel the Library fund should be separate because being included in the Capital Reserve Article, which is aimed at the design of the whole town complex, would put the Library in competition with "public safety" departments and that the Library would continue to fall behind prioritywise. The Trustees do not feel the residents would see this as competing with the Town Fund.

After much discussion, it was agreed that the issue was not that the Library should have a Reserve Fund, but rather what would be the best procedure to attain that goal. It was strongly suggested that the final product contain the information that the funds would be matched privately. The Trustees decided to submit a Citizen's Petition. They were informed that the deadline for submitting that petition would be at the last meeting of the Board of Selectmen before the January 10 Public Hearing Meeting, and that the petition should contain some notation as to whether the governing body (Board of Selectmen) and Budget Committee recommend the petition.

Changes in Proposed Warrant Articles

Mr. Gould proceeded to explain the changes in the remaining Warrant Articles. Using the spreadsheet he provided, he reviewed just the Articles with changes and the rationale behind the changes. He pointed out Articles which have been deferred, Articles for which proposed funding will be coming out of the Undesignated Fund or the Road Reclamation Fund, and Articles for which proposed funding has been reduced, leaving \$327K to be raised by taxation which is just about the level voters approved last year. It was noted that the town budget is in good shape and that the Undesignated Fund Balance is approximately \$1.8M.

Discussions ensued regarding Reclamation of Mill Road, the possibility of "bundling" some of the proposed Articles (not legally permitted), and an explanation of the Tax Collector Vacation Reserve (a commitment made by a previous Board of Selectmen). The Committee suggested that the Vacation Reserve be handled as a line item on the Operating Budget. Mr. Pardue will look into the legality of doing so.

Fire Department Equipment Fund: Mr. Gould read a new Warrant Article proposing a separate Fire Department Capital Equipment Fund that would be used instead of the General Fund for revenues and expenditures. This fund would be similar to the Police Detail Revolving Fund.

Signage: Mr. Robinson initiated a discussion on the proposed Town Sign Ordinance that changes the appeal process from the current process where somebody who has been denied by the Code Enforcement Officer appeals to the Zoning Board of Adjustment, and then after that takes the appeal to the courts. The change eliminates the Code Enforcement Officer and the Zoning Board from that process. The applicant would make an application to the Planning Board for what's called a conditional use permit and the Planning Board would decide to issue the permit. The appeal would go directly to the courts. The two significant costs of this ordinance would be a one-time cost for preliminary work to implement this ordinance and legal fees in the case of appeals. The Board supports this ordinance with the caveat that if the cost of legal fees begins to get out of hand, the ordinance be revised to go back to some process other than just direct appeals to the court. There was some concern that the Town Building Inspector's workload will not sustain these new responsibilities. The Town Building Inspector has indicated that he will need somewhere around \$20K in additional funds to implement this ordinance.

Other Comments: Ms. Dolan asked if the Committee felt comfortable with the information provided on the Warrant Articles as presented and changed by the Board. Did the Committee need any additional information? Were there any significant concerns that needed to be expressed?

Ms. Spencer asked about the order of presentation. Mr. Pardue indicated that the statutes require the order to be planning and zoning, funding, and Articles.

Mr. Miller had a question on the Warrant Article regarding the vote to authorize the proceeds from the sale of land located on Cedar Road. The Article does not authorize the Town to sell the land; it only authorizes any proceeds from a sale to be deposited into a Capital Reserve Fund as opposed to a general fund. The Town will need to go through a procedure described in 41.14A in order to receive permission to sell any land.

Mr. Miller explained his opinion that any outright sale for cash of Cedar Road would be a mistake. Mr. Gould agreed and stated that the Board is aware that Cedar Road is a valuable asset to the town.

Voting: After a brief discussion, the Committee decided to vote on the Warrant Articles and Town and School Budget on January 10 after the Public Hearing. In the meantime, notation will be provided on what the Budget Committee thinks.

Proposed Town Budget

Mr. Gould briefly pointed out that the major changes in the proposed Town Budget since the Committee last saw the budget are in compensation and insurance. Mr. Pardue pointed out that technology needs have been moved from separate line items in each department to one line item including all departments.

Police Cruisers: There was a discussion regarding the line item for police cruisers. Mr. Robinson asked why the original request for cruisers back in the 1990's did not perpetuate itself. Chief Page answered that at that time there was no proposal for follow up, just a request for those three cruisers. Chief Page pointed out that a Warrant Article for the two cars would be around \$64K right up front, whereas a lease would be spent over 3 years. Two cars will be needed this year, because the request for one car was voted down last year. Mr. Miller pointed out that if the lease is in the budget, then if the budget defaults, the lease, being contractual, would be a default item and the Town would still have the leased vehicles. It was agreed that because one new car is bought/leased per year rather than once every five or so years, that it should be listed as an expense rather than as a capital improvement, thus it should be listed in the budget.

Health Coverage: Mr. Miller confirmed with Mr. Gould that the bottom line increase of the proposed budget is 7%. He asked what the health coverage was. Mr. Pardue said it is currently at 17%. He explained the Town is hoping to come in at less than 17%, but that because the local government center health care provider is max at 17 they are budgeting for 17%.

Compensation: Mr. Gould explained that the compensation line item changes reflect a 5% to 4% increase, with a plan to ask employees to contribute 12.5% as opposed to 10% to the health care. . The reason for the change is not solely financial, but is also for precedent.

Other Comments: Ms. Dolan asked Mr. Pardue and the department heads if there were any comments on the budget. She is going to ask the Committee to vote at the next meeting. Mr. Pardue reviewed several line items and categories, summarizing that from the Town's perspective, this is a very conservative budget.

Chief Page pointed out a new line item in the police budget. Previously utilities were included in the maintenance line item. There are now two line items: utilities and maintenance. The original number has been split between the two.

Mr. Pardue pointed out that if the newly proposed funding mechanics for the police department doesn't pass for special details, there is no funding provided for special details as it has been removed from the budget. The Committee felt that it would be good to be able to explain to the voters that the money needed for special details is money up front that will be paid back. Ms. Dolan asked if the Warrant Articles could be written differently. Ms. Spencer agreed that they are unclear. Mr. Pardue answered that there is a statute that actually defines how the Articles must read.

Adjournment

Mr. Robinson moved and Mr. Miller seconded the motion to adjourn. The vote was unanimous (6-0). The meeting adjourned at 8:45.

Respectfully submitted,

Cathi Purington
Stand-in Recording Secretary