



Town of North Hampton

Budget Committee

**Robert Copp
Michael Coutu
Michael Golden
Don Gould
Jim Maggiore
Larry Miller
David Peck
Kari Schmitz
Peter Simmons**

North Hampton Budget Committee
Minutes of 5-1-07 Meeting
North Hampton Town Hall

Attending- David Peck, Bob Copp, Michael Golden, Jim Maggiore, Kari Schmitz, Don Gould, Larry Miller
Not attending- Peter Simmons

David Peck called the meeting to order at 7:05 pm.

The minutes of the 2-03-07 Budcom meeting were presented for approval. David Peck and Larry Miller were the only members present who were present at that meeting. Minutes approved 2-0.

Meeting Agenda

1. Election of 2007/2008 Chairman and Vice-Chairman for the BudCom.

David Peck nominated himself as Chairman. Seconded by Bob Copp. David noted his experience in finance and his service as Vice Chairman of the 2006/2007 committee. Don Gould stated Larry Miller should be considered for the position. Larry said he would like to be considered, however, he did not have the time available this year to commit to the position. He said he would like to be considered next year. He also said he believed the Chair should change each year to allow more members to gain experience. David Peck was elected chair 7-0. Don Gould nominated Larry Miller as vice chairman. Bob Copp seconded the motion. Larry stated he would serve and hoped the board would collaborative and proactive. Larry was elected vice chairman 7-0.

2. Nominations for Open BudCom position.

Dave recognized Bill Pare and Michael Coutu, as citizens present who were interested in the open at-large Budcom position.

Bill Pare introduced himself as a resident since 1999. He has experience in budgetary processes through his employment at Hewlett Packard. He presently serves on the Mosquito Commission.

Michael Coutu introduced himself as a resident since 2000. He has extensive experience in fiscal management from his experience at Fleet Bank and Fireman's Fund. He retired in 2004 and would like to serve the town.

David Peck nominated both men for candidacy. Motion seconded by Don who suggested the non-elected person could serve as alternate.

Voting was 4 in favor of Mike, 2 in favor of Bill, one abstention. Mike was elected.

Dave Peck made a motion to create an alternate member position pending legal clarification of this action. Larry seconded the motion. Vote was 6 in favor and 1 against.

David Peck nominated Bill Pare to fill the alternate position. Don seconded the motion. Vote was 7 in favor, 0 against. Bill was elected to the alternate position.

(Subsequent to this meeting, a written legal opinion was obtained from the NH Local Government Center which disallowed the creation of the alternate position. David Peck notified Bill Pare). Bill Pare followed up by saying he is still willing to update the BudCom on the Capital Improvement Plan, as he had volunteered during the BudCom May 1 meeting.

3. Final Town and NHS 2007/2008 Budget and review of approved Warrant Articles - David Peck

Dave presented the committee with an analysis sheet which studied the warrant articles from the last election, their cost and the voting of BOS, Budcom and electorate. Only 2 articles on the town warrant were not approved and all NHS articles were approved. The construction of a town garage was soundly supported even though it is a large \$ item. Despite a negative vote by Budcom, the voters approved funding for the recycling center.

The 3 Exeter Road property purchase which was not supported by the BOS or the Budcom was not approved in the election. Overall, Dave noted that North Hampton voters seem willing to spend their money.

4. Review of Town Financials for 3rd Fiscal Quarter (Jan. - Mar.), actual vs. budget - Don Gould

Don discussed the YTD town budget. A number of accounts were discussed as being over or under spent. The BOS miscellaneous account is greatly under funded. The BOS uses this account to pay for unanticipated expenses as they arise. The telephone line items of all departments are over budget due to startup costs for a change in service. Legal costs are over budget due to suits against the Town for cell tower ZBA denial. The town has been up held in court. These expenses are expected to diminish.

Bob Copp noted the Recreation Department has a non-lapsing fund which accepts fees for program registrations and from which contact employees are paid.

Larry is to ask Phil Munk for a description of the town insurance which covers Budcom members for their official activities.

5. Town Cash Flow Summary - Penny Holbert

Penny introduced herself as the newly elected Town Treasurer. She presented a detailed spread sheet analysis of the town's present fiscal position. She explained the number and character of the many town reserve accounts. She has investigated the previous return on investment and made improvements while maintaining a conservative policy. Larry noted Penny's report was welcome and she was making the first appearance of a Town Treasurer at a Budcom meeting in greater than 5 years.

Dave Peck invited Penny to attend future Budcom meetings.

6. Review of School Financials for 3rd Fiscal Quarter (Jan. - Mar.), actual vs. budget - Kari Schmitz

Kari Schmitz provided a YTD report of the NHS budget prepared by the temporary business manager for the SAU, Carolyn Rioux. Mary Pat Dolan, NH School Board Chair was in attendance to answer questions. She explained the transportation line item was under spent because payments were being held until bus service by First Student was improved to NHS expectations. Then, expenses would meet budget.

Larry asked if the cash payments to administrative employees made in lieu of health insurance would be accounted for in the payroll line item. Mary Pat explained the total cash payment is 85% of the value of the health plan with a cap of what can be received as salary. The balance is contributed to a 403B employee retirement account. The Health benefit is included in the Health Insurance *Budget* line item. However, when disbursed, the salary is accounted for accordingly in the *actual* salary line item. The committee discussed at length ways to account for the expenses which presently are included in benefits.

Dave made a motion for the committee to ask the SAU to move the 85% cash payment to the Administrative salary section of the NHS school budget.

The vote was 5-2 in favor of the motion.

Some unspent funds are expected to be added to the non-lapsing school maintenance fund created last year. Some bathrooms need renovation. Roof leaks have caused interior damage.

Two teachers may accept the retirement stipends this fiscal year, but this is not certain now.

Bob Copp suggested a tour of NHS and the municipal facilities be arranged for the benefit of the Budcom members. Dave Peck will make this request to Phil Munk.

7. Open discussion on BudCom priorities for the coming year, and roles / responsibilities

David led a discussion of potential priorities for the Committee for the coming year. The following topics were chosen for fiscal examination:

Healthcare and retirement costs- Mike Coutu

5 year budget analysis- Bill Pare

Liaison to other town budget committees- Larry Miller

Fire Department study- Jim Maggiore

Capital Improvement Plan- Bill Pare

Investment Policy of Town-Mike Golden and Mike Coutu

NHS staffing- Kari Schmitz

Collective Bargaining (budget bench marking)-Mike Golden

8. Schedule for future BudCom meetings

The next meeting will cover the year end review of the town and NHS Budgets. It is scheduled for 7-30-07.

The NH Local Government Center will be invited to present an introductory class at a North Hampton Budget Committee meeting which will be targeted for June. Larry Miller will investigate.