

Town of North Hampton Budget Committee
Minutes of November 19, 2007 meeting
Mary Herbert Room, North Hampton Town Offices

Committee members present:

- David Peck (Chairman)
- Don Gould (Rep. from Board of Selectmen)
- Kari Schmitz (Rep. from NHS School Board)
- Larry Miller
- Michael Golden
- Bob Hamilton (Rep. from Little Boar's Head Dist.)
- Robert Copp
- Jim Maggiore

Also in attendance:

- Emily Creighton, Chair of BOS
- Tom Lambert, Fire Chief
- Steve Fournier, Town Administrator
- Laurel Pohl, Planning Board

Call to Order

David Peck called the meeting to order at 7:10 PM

Budget Committee Updates

Larry Miller recommended adding a meeting next week to our schedule to complete the departmental budget reviews.

David Peck made a motion to accept the resignation of Michael Coutu from the Budget Committee, seconded by Bob Hamilton. MOTION PASSED by a vote of 7-1 (Miller) – 0.

Approval of Minutes

Michael Golden made a motion to accept the minutes from the November 5th meeting, seconded by Miller. Discussion amending the minutes. Motion to accept minutes as amended by Peck, seconded by Schmitz. MOTION PASSED unanimously.

Discussion on the November 8th minutes. Minutes were approved as amended by a vote of 7-0-1, with Robert Copp abstaining due to his absence from that meeting.

Board of Selectman Update

Don Gould gave an update of the recent BOS meeting discussing the tax rate for the town. The DRA sets the rate not the BOS. New *unofficial* tax rate proposed by DRA is \$16.87 which is an increase of \$1.44 from last year's rate of \$15.43. The breakdown is as follows:

Town	\$ 4.05
County	\$ 1.13
Local – School	\$ 8.85
State – School	\$ 2.84
TOTAL	\$16.87

This figure will not be official until the DRA formally notifies the town.

The \$0.38 increase in the town portion of the tax rate is due to the increase in debt service (90% from NH Forever bond and 10% from the Highway bond) and the \$80,000 line item for the State mandated revaluation.

Mr. Gould stated that the fund balance should be \$1,430,137 but due to a bookkeeping error the fund balance only shows a balance of \$916,371. Mr. Gould assured the committee that the money is not missing, but just not properly booked. This bookkeeping error will be corrected ASAP.

Mr. Gould discussed the role of the BOS in relation to the setting of the tax rate . BOS designated to overlay \$100,000 to address abatements and applied \$225,000 from the Fund Balance to offset the tax increase.

Mr. Peck provided a worksheet of the NH Spending and Tax Rate Trends (Attachment A). He commented that the proposed tax rate is staying the same relative to inflation as in the past few years.

Budget committee members discussed what figures we can control and how best to make the appropriate choices to represent the needs of the tax payers. Ms. Pohl shared that to her recollection \$700,000 mitigates to approximately \$0.01 of the tax. Mr. Peck expressed his belief in a zero based budgeting approach and really looking at needs versus wants in relation to each departments FY'09 budget. Mr. Gould explained that union contracts alone make this a difficult challenge.

Review of Departmental Budgets (continuation from Nov. 8th meeting)

The Committee reviewed the proposed budget for each town department as follows:

4130 – Executive – no discussion

David Peck provided a summary of medical benefits cost (Attachment B) conducted one year ago. He presented an explanation of how the School handles medical benefits selection vs. the Town. Mr. Peck would like the Town to be more proactive (like NHS) in providing plan options to its employees in an effort to reduce overall costs.

Don Gould stated that the BOS is presently locked into union contracts and can not change the health benefits. Mr. Fournier noted that this year there will be a savings in the Town's benefits line totaling approximately \$28,000.

(Mr. Miller left the meeting at 8:05 pm.)

Discussion continued amongst the Committee around adding more health plan options to non-union employees (approx. 10 individuals). Issues presented were fairness. A suggestion was made to appoint a committee prior to the collective bargaining process to discuss such topics.

Mr. Fournier stated that he is looking into the benefits issue and hopes to have some suggestions in the future.

4140 – Town Clerk/Tax Collector

Mr. Peck moved to return the Town Clerk/Tax Collector salary back to \$25 per hour plus a cost of living increase (not yet determined by the Budget Committee) versus the present hourly wage of \$30. Mr. Copp seconded. Discussion. **MOTION DID NOT PASS:** vote 2 (Copp, Peck) – 5 - 0.

4150 – Finance/ Administration

An update of the Finance/Administration budget was given by Mr. Fournier. He would like to bring payroll in-house for some savings (approx. \$15,000 for ADP). Also, Mr. Fournier is reviewing the department as a whole. He recommends funding a new position in the FY'09 budget for a Bookkeeper/Payroll person, but has not taken this idea to the BOS yet. This position would eliminate two present line items in the proposed budget (4150-10-302 and 4150-10-303) for two part-time positions totaling \$48,000 (\$24,000 x 2). The Committee discussed the needs of the department and what the right structure would be for the office to ensure proper documentation.

Mr. Peck moved to eliminate the two line items (4150-10-302 and 4150-10-303) totaling \$48,000 and have the BOS make a clear proposal with job description, compensation and other relative information, as well as report on continued use of temporary services as an option for financial reporting by the next meeting. Mr. Golden seconded. **MOTION PASSED:** vote 6 - 1 (Gould) - 0.

4150-60 – Software Support

Mr. Golden moved that the \$50,000 be removed from the budget and a detailed account of these expenditures be submitted by the BOS at the next meeting. Seconded by Mr. Copp. Discussion. **MOTION PASSED:** vote 4 – 2 (Gould, Schmitz) – 1 (Hamilton).

4152 – Property Valuation

Contractual number – no further discussion

4153 – Legal Expenses

Based on present lawsuits plus historical information – no further discussion

4191 – Planning and Zoning

No further discussion

4194 – General Government Buildings

Committee asked for the assumptions for heating and oil to ensure uniformity among the overall town budget process.

4195- Cemeteries

The Committee asked that the Trustees attend next meeting to explain the 50% increase in FY'09. Mr. Peck will contact the Trustees.

4196- Insurance

Figure represents an estimate of next year's expenditures x 5% over FY'08 + 9% rate increase. Town is shopping other carriers to try and reduce costs in the future.

4197 – Associations

No further discussion

4210 - Police

Mr. Peck moved that the budget be accepted as proposed except for the overtime line item. Overtime is tabled until next meeting. Mr. Copp seconded. MOTION PASSED unanimously.

4220 – Fire

Chief Lambert addressed the action items from the last meeting. Presented hand-outs on Incident Responses by Day of Week, January 2007 through October 2007 and Count of Incidents by Alarm Hour, January 2007 through November 18, 2007 (Attachment C).

The Fire Department was not calculating overtime correctly according to the Fair Labor Standards Act, thus they had to go back two years and recalculate the correct overtime rate to bring the department into compliance. A one-time payment appears for \$9,474.86 in October of 2007. The overtime rate used in FY'08 was \$31.07. It is presently \$32.56. Overtime spending to date is at 53% of total budgeted overtime due mainly to seasonality (number of vacations taken over the summer). Chief Lambert projects the overtime for FY'08 will be approximately \$13,000 over the budget of \$141,753; citing historical data on call backs and the amount of vacation time left for the staff.

Chief Lambert and the Budget Committee discussed the option of having a 2 person shift vs. 3 person shift during vacation or sick time of the third employee on a 24 hour shift. Neighboring communities are doing this – why aren't we? Chief Lambert responded by stating that Rye has a larger call force than North Hampton. His reasoning behind a 3 person shift is the needs of his community and safety for all.

A suggestion was made to have 2 people on in the day shift and have the Chief and Deputy Chief cover during the day bringing the shift back up to 3.

Mr. Peck moved that the FY'09 overtime line item be FY'08 + 6% increase (\$141,753 x .06 = \$150,258). Mr. Golden seconded. MOTION PASSED unanimously.

4240 – Code Enforcement

Discussion arose on the specific duties and overall need for a part-time code enforcement officer. It was mentioned that Steve Fournier is the town's health inspector since the present code enforcement officer lives out of state.

Mr. Peck moved that the budget be approved except for the part-time code enforcement officer (\$12,000). Mr. Copp seconded. MOTION PASSED unanimously.

4290 – Emergency Management

No further discussion

4312 – Highway Department

Explanation of the paving line item was tabled from the last meeting due to the employee being out on vacation. This employee just returned and information will be available at the next meeting.

Discussion continued on the rental line item for a front end loader – cheaper to buy versus rent? Front loader to be presented to the voters as a warrant article, but if it does not pass need to have funds in the budget for this expense.

4316/4323 – Street Lighting/Brush Disposal

No further discussion

4324 – Solid Waste Disposal

YTD Tipping fees are \$29,182.

Mr. Peck moved that the tipping rate for FY'09 be a 5% increase from the current run rate to total \$91,350. Seconded by Mrs. Schmitz. Discussion. Amended by Mr. Hamilton to increase tipping fees to \$94,500. MOTION PASSED: vote 6, 0, 1 (Gould).

Mr. Maggiore mentioned that Jeff Church is planning on working with the school to produce a video presentation to the town on recycling.

4329 – Recycling

Ms. Pohl asked why is \$1,000 in building maintenance showing under this department? It should be in the centralized payments.

4339- Water Commission

No further discussion

4415- 4440 – Health Agencies

The account is now level funded.

Mr. Gould stated that his wife is on the Board of Directors for Crossroads.

4442 – General Assistance

No further discussion

4520 – Parks and Recreation

Mr. Peck moved that the Dearborn Park Maintenance account (4520-10-630) be reduced by \$3,240. Seconded by Mr. Golden. Discussion. MOTION DID NOT PASS; vote 2 (Golden, Peck), 5 – 0.

The Committee asked about the use of the revolving account. Mr. Fournier did not recommend using the account to pay for the Director's salary, but possibly use the account to fund a revenue bond at a later date.

4550 – NH Public Library

Change is actually an increase of 2.29% over last year.
No further discussion.

4583 – Patriotic Purposes

No further discussion

4611 – Conservation

No further discussion

4711 – Debt Service

Mr. Peck asked the BOS if it is within the Budget Committee's purview to request what was purchased with the NH Forever bond. It was requested that Phil Wilson come and speak prior to the deliberative session on the process of purchasing land. There is \$700,000 left on the bond. Channel 22 is slated to air a program on what the town has purchased with this bond.

4901 – Transfers to Capital Reserve

Ms. Pohl, vice chair to Channel 22 Committee, brought the group up to speed on the project. The next meeting of the Channel 22 Committee is December 4th.

She stated the importance to have the public more informed. BOS has approved a warrant article for \$38,000 to run the station more efficiently – tape and air public meetings and

activities, purchase more equipment, etc. There will be a need for a technologist to run Channel 22 in the future. Volunteers could help with some of the work.

Continued Business

Mr. Peck moved that all non-union staff increases in the FY'09 budget of 5% be decreased to 3.5%. Ms. Schmitz seconded. Discussion. Mr. Hamilton suggested looking at a similar matrix for non-union town employee salaries like the teachers' salary matrix. Mr. Peck amended it to a 3.6% increase to reflect the Northeast regional cost of living increase. MOTION PASSED; vote 5 – 0- 2 (Golden, Gould).

Warrant Articles

An additional meeting will be added to the Budget Committee's schedule to address the FY'09 Warrant Articles: Thursday, November 29th at 7:00 pm.

Survey

An amended town survey was presented by Mr. Peck. Discussion continued about the town survey recommendations. Mr. Peck moved that the survey be approved as is and that the process to have it completed be pursued. Ms. Schmitz seconded. MOTION PASSED; vote 5 – 1 (Copp) – 1 (Schmitz).

Meeting was adjourned at 11:08 pm.

Respectfully submitted,

Kari Schmitz