

North Hampton Budget Committee Meeting
Monday, 20 April 2009
Mary Herbert Conference Room

1. **Call to order:** Vice Chairman Michael Golden called the meeting to order at 7:04 p.m.

Budget committee members in attendance: Robert Copp (North Hampton School Board representative), Michael Golden, Robert Hamilton (Little Boar's Head representative), Jim Maggiore, Paul Martino, Larry Miller, Jon Rineman (Select Board representative), Jennifer Simmons

Also in attendance: Town Administrator Steve Fournier, David Peck, Michael Shulman, NHCATV videographer John Savastano, Amy Kane (minutes)

2. **Introductions:** As it was the first meeting since the March 10 elections, members introduced themselves.
3. **Bob Copp open position:** Mr. Copp was elected to the School Board, leaving one open position on the Budget Committee. David Peck and Mike Shulman presented their qualifications for appointment to the position.

Mr. Shulman has lived in town for three years and has three young children, two of whom attend North Hampton School. He is executive director of a technology company, managing a \$4-5 million budget, and with 40-50 people working for him. His interest in the Budget Committee began when he attended the 2009 School Deliberative Session.

Mr. Peck has lived in town for 11 years. Two of his three children attended North Hampton School. As a VP of sales and marketing as well as strategic planning for Fisher Scientific, he has extensive budgeting experience. For the past 5 years, he has owned a small business. A member of the Budget Committee for three years, he served as chairman for two years.

Motion by Larry Miller to nominate David Peck to the open position; second by Jennifer Simmons.

Motion by Paul Martino to nominate Mike Shulman to the open position; second by Jon Rineman.

Discussion. Mr. Rineman said the last budget season seemed contentious at times and asked Mr. Peck if, in retrospect, he would do anything differently as chairman. Mr. Peck said it was hard to summarize every decision, but he believed in giving every member an opportunity to speak and air differences. Mr. Rineman asked Mr. Shulman if he would do anything differently. Mr. Shulman said he had difficulty understanding some of the facts behind decisions at the School Deliberative Session; he would like to improve information sharing and communication. Mr. Miller noted that Mr. Peck had not been permitted by the moderator to share a presentation at that session as it had been presented at the Public Hearing a few weeks earlier. Mr. Golden said he objected to the term "contentious" and would prefer to describe the debates as "passionate."

Mr. Hamilton said he felt the Budget Committee had acted with moderation and responsibility in deliberations last year, with the exception of the school budget. A 5-4 vote for an additional \$100,000 cut might be going in the wrong direction considering the community's

responsibility to educate its children. He asked Mr. Peck and Mr. Shulman to comment. Mr. Shulman said he felt the cuts had been mostly symbolic, and had perhaps been made too quickly. Mr. Peck said the school did not present a zero-based budget as had been requested but a 1.4% increase because warrant articles had not been included. A \$100,000 cut brought it back to a zero increase. Mr. Hamilton said he found it a difficult vote. Mr. Peck has been hard working and understands the budget. As chairman, he allowed the minority a free voice without attacks. On the other hand, he said he has had disagreements with him. Mr. Golden said he was concerned about maintaining the continuity of the committee.

Vote to appoint one member to the open seat: Robert Copp, Paul Martino and Jon Rineman voted for Mike Shulman; Michael Golden, Robert Hamilton, Jim Maggiore, Larry Miller and Jennifer Simmons voted for David Peck. David Peck was appointed 5-3.

4. Election of 2009/10 Chairman and Vice Chairman

Mr. Golden said he did not wish to serve as chairman. Mr. Miller suggested Mr. Maggiore and Ms. Simmons are both ready for the position. He noted that only an elected member may serve as chair. Mr. Peck noted he would not be able to vote until he was sworn in. Mr. Maggiore said he was interested in the position and would like to lead a committee that was proactive rather than reactive, keeping the momentum from last year.

Motion by Larry Miller to nominate Jim Maggiore Chairman of the Budget Committee; second by Michael Golden. Motion passed 7-0-1, with Mr. Maggiore abstaining.

Motion by Larry Miller to nominate Michael Golden Vice Chairman of the Budget Committee; second by Jennifer Simmons. Motion passed 8-0.

5. Review voting results from March 10 vote

The vote to change town meeting from March to May changes the budget schedule, said Town Administrator Steve Fournier, and will allow budgets to be built based on more data from the current year. The town will begin the internal budget process on October 1 rather than in August, and finalize at the end of December. Budget Committee reviews of the town department budgets will begin after the holidays, in the new year. The school budget process and timeline will remain the same. The public hearing for the town budget will take place in early March, and the deliberative will be in early April. Voting on the town budget and warrant articles will be May 11 next year.

The school budget and warrant will still be voted on in March. The town will share voting equipment, as the school shares voting location with the town. Mr. Fournier said there would not be a significant cost increase due to holding two separate elections. Mr. Maggiore asked if the school was discussing a switch too. Mr. Copp said it was unlikely as there were 5 districts in the School Administrative Unit.

6. Review town financials year-to-date, actual vs. budget

Mr. Fournier said that, 75% through the year, the town is a little below target for expenditures. Police and fire is a slight increase due to contractual obligations. Highway is up due to the ice storm in December; FEMA may reimburse the town \$30,000. General assistance welfare is over budget. The town has collected slightly less in non-tax revenues

than last year, mainly due to fewer motor vehicle permits. Interest on town investments is down. Property tax collections are about the same as last year. Building permits are up over this time last year. Revenue from solid waste tipping fees is up.

Mr. Fournier said state budget changes could hit the town hard next year. Group insurance rates could go up 35%. There could be a reduction in the amount the town receives from the rooms and meals tax, and it is uncertain if stimulus funds will make up the difference. Good news is that there may be a health insurance decrease rather than 12% increase as anticipated. Mr. Miller asked for the town would consider marine registration.

7. Review NHS financials year-to-date, actual vs. budget

Mr. Copp shared details of bids and cost for two different projects: repair of the school building exterior, including power washing, mortar replacement, and sealing; and HVAC duct work and gym ceiling mold removal. P & G was awarded the contract for the exterior for \$86,000. There is now a facilities committee; David Sarazen is the school board liaison. The board recently approved the installation of sprinkler heads in the freezer, at a cost of \$1,200. Mr. Maggiore asked if the facilities team was considering any projects other than those in the Turner Report. Mr. Copp said no.

Mr. Copp shared a handout listing funds the board anticipates spending and where the money will come from. He said making up snow days at the end of the school year would impact expenditures. Mr. Miller asked if extra money would be returned to the town at the end of the fiscal year. Mr. Copp said yes, approximately \$68,000 would be returned and \$50,000 saved in the fund. The school will receive \$115,000 from the stimulus; the money is earmarked for special education. The school is close to budget, and slightly under, for this time of year, said Mr. Copp.

Mr. Copp said the Energy Committee will conduct an energy audit of town and school buildings. Anyone in town will be able to go to an EPA website and retrieve information on how much energy the town is using. A heat scan of the school showed locations of energy loss.

8. Review FY10 budget process/ recommendations to improve

Mr. Golden asked the committee to reflect on the prior year and make suggestions. Mr. Maggiore said that even though some meetings were contentious, he felt the committee was going in the right direction last year with board and department liaisons. Mr. Hamilton said that the committee seemed a little reactive at times but was mainly trying to be proactive. He asked if the committee should be more proactive in coming up with the numbers this upcoming year. Mr. Golden said yes, he would like to see members work closely with departments in a support role to come up with a better work product. Mr. Hamilton cautioned that the committee should respect the obligations and jobs of the other groups, and be helpful. Mr. Rineman noted the issue of the school budget and said the committee should consider its role to suggest rather than demand, and not create a chasm between the school community and Budget Committee. He said he had a tendency to believe recommendations from police and fire because they are the experts in their work. Mr. Miller said there will be disagreements and he was proud of his. He said some management in the town was good and others not. He said the committee should avoid groupthink and ideas can come out of disagreement and dissent. He said the problem last year was contentiousness rather than disagreements.

Mr. Hamilton said the committee was reviewing line items so quickly in October and November there was not time to examine the big picture. He suggested the committee attend a retreat in August or September to discuss goals and broader macroeconomic issues. Mr. Golden said the committee might issues guidelines in letter form. Mr. Fournier noted that the town considers the macro side as well. He felt the Budget Committee had sometimes focused too much on the individual departments, getting bogged down on small items. He reminded the committee that the Select Board and the legislative body oversees the departments, with the Budget Committee reviewing the budget on behalf of the legislative body. He said he would like to see better communication and more respect for department heads next year. Last year the town met the zero goal but it may be tough next year.

Ms. Simmons said she would like to see Budget Committee members attending School Board meetings, to understand the school budget. Mr. Copp said the School Board has the responsibility to make their budget. He said it was not the Budget Committee's job to be part of that school budget process, but the board would welcome attendance at public meetings.

Mr. Miller suggested a Budget Committee member attend North Hampton Business Association meetings, as taxable property on Route 1 makes up 16% of what the town takes in. He volunteered to be the liaison to the NHBA.

9. Budget Committee roles and responsibilities for new planning year

Mr. Hamilton offered to help a member take over as liaison to the fire department, and volunteered to lead the macroeconomic planning. He asked for help from Mr. Peck, who had done macro work the previous year. Mr. Peck suggested members change roles for next year. He would share his data from last year, and Mr. Fournier would contribute new data. Mr. Peck suggested Ms. Simmons had a strong macro and business background. Mr. Hamilton and Ms. Simmons will comprise the macroeconomic subcommittee.

Other liaisons: Mr. Miller to police; Mr. Maggiore, town general administration and library; Mr. Golden and Ms. Simmons, school; Mr. Peck, highway, waste and cemetery; Mr. Martino, fire.

Meetings will be scheduled for Wednesdays. The next meeting is scheduled for July 22 at 7 p.m.

Motion to adjourn by Jon Rineman; second by Jennifer Simmons. Motion passed 8-0. Meeting was adjourned at 9:02 p.m.

Respectfully submitted,
Amy Kane