

OFFICIAL MINUTES – approved 2-1-10  
 North Hampton Budget Committee Meeting  
 Thursday, January 21, 2010  
 Old Town Hall

**Call to order:** Chairman Jim Maggiore called the meeting to order at 7:04 p.m. (The meeting was recorded for Channel 22.)

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

## **1. Vote on North Hampton School District proposed warrant articles**

***Motion by Larry Miller that the Budget Committee recommend Article 3 (fact-finder recommendation for SESPAs collective bargaining). Second by Robert Copp.***

**Discussion.** Mr. Miller said he would vote against recommending the article because contract creation should be by negotiation not ballot.

***Vote: The motion failed 0-9.***

(Note: Since the Committee's previous meeting the School Board had switched the order of Articles 4 and 5, as per request.)

***Motion by Robert Copp that the Budget Committee recommend Article 4 (health insurance fund). Second by David Peck. Motion passed 9-0.***

***Motion by Michael Golden to recommend Article 5 (building expansion fund). Second by Jen Simmons. Motion passed 9-0.***

## **2. Sign state forms for NHS budget**

Budget Committee members signed the forms.

## **3. Town Administrator overview of town budget**

Town administrator Steve Fournier presented an overview of the town budget, using PowerPoint slides. The budget will be examined by department at upcoming meetings.

Mr. Fournier shared information from the Department of Labor Statistics about the state of the economy, comparing North Hampton, Portsmouth Labor Market, county, state and national unemployment figures. Town unemployment is 5%, up from 2.6% in Oct. 2008. The Consumer Price index was worst in July and is trending up, due mainly to gas prices.

In North Hampton, uncollected taxes were \$6.7 million in FY08 and improved to \$4.8 million in FY09. There were more building permits than anticipated; most are renovations. Interest on investments has dropped. Motor vehicles registrations – the greatest source of revenue - are down, but not by much.

A future reduction in state revenues is likely, which the town will have to make up. The town is entering a lawsuit against the state regarding this unfunded mandate. State school tax will sunset and no longer come back to the town. A coalition of towns will lobby on this issue.

Mr. Fournier shared a 5-year tax rate comparison, breaking down the total rate by school, town, state school, and county.

He described the FY2011 budget process, initially asking how a zero increase could be achieved. Mr. Hamilton said he did not think many people in town realize the power they have at a Deliberative Session to increase or decrease a budget by up to 10%. Understanding this might increase attendance. Mr. Fournier said that Deliberative attendance has been dropping and the Select Board is considering different government options such as a Charter Commission.

The budget recommended by the Select Board, \$5,554,301, is a 4.2% increase over this year. Other proposed warrant articles funded through taxation are down 32.8%. Recreation funds will be in a revolving fund, as will Cable TV funds. Warrant articles proposing to withdraw from the Capital Reserve Fund total \$366,740. The fund balance is currently \$1.2 million.

Mr. Maggiore said that the Budget Committee had requested last year that warrant articles include histories for review, including information about trust fund amounts. Mr. Fournier said that information will be presented. Mr. Peck said warrant articles were the purest form of the democratic process, but every year there is a different combination of articles and amounts. The operating budget is what the Budget Committee is addressing as the most controllable part of the budget and it is up by 4.2%. Mr. Fournier said in prior years the Committee wanted information about the budget and warrants combined, which for FY11 is a 2.8% increase over the current year. Mr. Peck said it would be a disservice to the public to allow them to think the budget is up 2.8% rather than 4.2%. Mr. Fournier said that the amount being raised through taxes was up 2.8%.

Next, Mr. Fournier reviewed the general fund budget by function and object. Increases are due to the new police contract, personnel costs, and health care increases. An increase for property valuations will fund a mini-assessment of commercial condos. Electricity and water have increased, but fire hydrant fees are down. A 4% increase for a finance administrator will save money on audits. Payroll started "in house" on Jan. 1 and will show a savings in the executive account. A big driver of the increase is the 27.3% health insurance rate increase. Mr. Golden asked if the town was close to implementing a cafeteria style plan; Mr. Fournier said it was on the radar.

The revenue budget is \$1,727,055 for FY10 and will be down to \$1,682,055 in FY11. Mr. Golden asked about federal stimulus funds. Mr. Fournier said the town was looking, but projects had to be shovel ready, with completed engineering plans. The town will discuss marine registrations with the Department of Safety.

Warrant articles with funds being raised through taxation include building maintenance, the library reserve fund, lease purchase of a front end loader, the road reconstruction fund, and the lease purchase of a Ford F350 one ton truck with plow. Figures are not yet available for the collective bargaining agreements for Teamsters and fire fighters. A

smaller amount (\$25,000) will be added to the mosquito control fund this year.

Articles raising money through other means include 2 police cruisers and a fire truck lease.

The default budget is \$5,546,536 which is \$7,765 less than the proposed budget and \$214,971 higher than the FY10 budget. Mr. Peck asked that if a budget item had been funded at \$100,000 last year but only \$50,000 had been spent, which amount would be used in the default budget. Mr. Fournier said the budgeted rather than expended amount (\$100,000), as instructed by the DRA.

The next meetings are scheduled for Tuesday and Thursday, Jan. 26 and 28.

### **Adjournment**

***Motion to adjourn by David Peck. Second by Paul Martino. Passed 9-0. The meeting was adjourned at 8:30 p.m.***

Respectfully submitted,  
Amy Kane