

OFFICIAL MINUTES – approved 2-1-10  
 North Hampton Budget Committee Meeting  
 Tuesday, January 26, 2010  
 Old Town Hall

**Call to order:** Chairman Jim Maggiore called the meeting to order at 7:04 p.m.

*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)

*Absent:* Jennifer Simmons

Handouts: 12-month rolling budget; trust fund balances as of Dec. 31; debt service schedule; FY2011 proposed budget; selectmen-proposed warrant articles

### **1. Review proposed Town General Government budget presented by Town Administrator Steve Fournier**

**Executive Budget.** Highlights include a decrease in Select Board salaries from \$3,000 to \$100.

***Motion by Robert Copp to add \$1,500 to the miscellaneous account for the Agricultural Commission. Second by Larry Miller.***

*Discussion.* Mr. Copp said the Agricultural Commission was established to promote agriculture, animal husbandry, gardening, and farm to school programs but not funded; members have been using their own money. Mr. Hamilton suggested a line item be established for the Commission. Mr. Peck asked if the Commission can be funded in the Recreation account. Mr. Fournier said that by state law the Agriculture and Recreation Commissions must be separate and control their own funds. Recreation revolving funds can only be used for recreation programs. Land use boards are not permitted revolving funds at this time. Mr. Copp said fund-raising activities and garden fees will eventually help the Commission be self-sustaining. Mr. Fournier recommended an amendment to the motion creating a line item for the Agricultural Commission.

***Amendment by Robert Copp: To add \$1,500 for the Agricultural Commission, to be added to the budget at the discretion of the Town Administrator. Second by Robert Hamilton. Motion with amendment passed 7-1, with Paul Martino opposed.***

Other Executive highlights include a \$700 increase in Trustees line item to cover annual audit expenses; an overtime increase of \$1,000 for the Administrative Assistant, recently determined to be a non-exempt employee; elimination of the \$12,000 ADP payroll fee, now done in house. The telephone line item is up \$1,500 because rates are up, the phone is used more often, and there are more lines. The miscellaneous line item is used for retirement gifts, etc.

The merit pool is level-funded; the average employee increase after approval last year was about 3%. A 5% increase in the TA salary is due mainly to a 53-week pay period in FY11, otherwise it is less than a 2% salary increase. Mr. Hamilton suggested it would

be fair to base salary increases on the taxpayers' ability to pay. He noted that salary increases in the proposed teachers' contract average out to a 1% increase per year over three years - less than town employee salary increases. If town salaries increase by inflation plus 1 or 2 percentage points, over time they will increase beyond the ability of taxpayers to pay. Mr. Fournier said not every employee received a merit increase and selectmen will undertake an internal salary survey comparing North Hampton salaries with comparable communities. The merit pool increases include retirement and FICA, averaging to less than 3% each.

**Town clerk/ Tax collector account.** No extra money is needed for two elections, in March and May, as the school funds its own election in March. Town clerk Sue Buchanan explained that a 50% increase in the training line would fund conferences and training, including travel. Mr. Miller asked if the town would add Marine registrations again. Ms. Buchanan said she is fighting for it. Currently she can collect town but not state boat taxes. Mr. Peck asked about the increase of \$4,588 for retirement benefits, noting that health benefits were voted on last year. Mr. Fournier said that it is not unusual for town clerks to have benefits and selectmen decided this year to fund retirement. Mr. Miller said he thought voters should decide retirement as well as health. Mr. Rineman said that the Select Board agreed that the clerk should have retirement benefits because it is a full-time position with a regular schedule, and because voters showed support for health benefits last year. Mr. Martino noted that the benefits have been approved for the position, not the person, and that if they are granted by the Select Board, the Select Board can take them away.

***Motion by Larry Miller to remove the \$4,588 retirement benefits line item and request that the selectmen propose a warrant article. Second by Michael Golden.***

*Discussion.* Mr. Rineman noted that Ms. Buchanan did not take a pay raise because of the addition of retirement benefits.

***Vote. The motion failed 1-7, with Larry Miller in favor.***

**Financial Administration account.** A 7.6% increase is due mainly to an \$8,000 increase in Financial Management Services, which had been under-budgeted. Money saved in audit overages makes up the difference. This is a contract position. In the future, the town would like to share a finance manager with another town, possibly Greenland. The budgeted data processing line item varies from the rolling budget because expenditures are made at the end of the fiscal year. Mr. Golden asked about the computer replacement schedule. Mr. Fournier said it is usually every 4 years. Mr. Golden suggested a policy statement be written. The town has 20 computers and 3 laptops.

**Property valuation account** is up 23.1%. A \$15,000 increase in assessing services is for a new contractual agreement with the assessors (Vision Appraisal) and includes \$5,000 for an update of commercial condos. Members discussed being uncomfortable with an increase in the contract assessing line item. Mr. Fournier said the increase is due to appeals, legal fees and a court backlog.

***Motion by Paul Martino to modify line item 4152-10-361 (Contract Assessing Services) from \$75,000 to \$65,000. Second by Larry Miller.***

Discussion. Mr. Rineman said the town did not have a choice about this expense. Mr. Fournier said that if this line were over-expended it would have to come from somewhere else, most likely the condo revaluation. Mr. Golden said this line should be less because it is not a revaluation year for the whole town.

***Vote. The motion passed 6-2. (In favor: RC, MG, JM, PM, LM, DP. Opposed: RH, JR.)***

***Legal account*** is level-funded. In response to questions from members, Mr. Fournier said the town attorney is Upton Hatfield and the labor attorney is McKittrick.

***Personnel administration account.*** Mr. Fournier said the \$25,000 increase in the merit pool line item is because when selectmen made various salary adjustments, the funds were transferred to the various lines. There is no increase over the previous year. The \$24,881 health insurance line increase for the 7 non-union employees is less than it would be with the LGC 27.3% estimated increase because co-pays have increased from \$5 to \$20. Mr. Miller asked if better prices for health insurance could be found. Mr. Fournier said that private insurers do not like the risk pool for municipalities. Mr. Golden said that plan design was the way to lower costs, in that case, and asked if a cafeteria plan had been reviewed. Mr. Fournier said it did not make a big difference and he was trying to avoid another collective bargaining unit. New LGC estimates would be available on or before April 10. Members discussed the 27% increase being indefensible and unsustainable without cutting staff or more productive collective bargaining. There was discussion about the difference between estimates and actuals each year, viewing pool data, and adding more to the healthcare fund warrant article at the deliberative session.

***Planning and Zoning account.*** Overtime was increased by \$3,000 when it was determined that the administrator is non-exempt. Updating chapters of the Master Plan has increased that line item by \$8,500. The committee would like more information from the Planning Board in justifying this expense.

***General Government Buildings account.*** Mr. Fournier plans to re-bid custodial services as the current service is inadequate; the line item proposes a \$5,000 increase. Replacing chairs and tables in the MHCR increases the furniture item from \$1,000 to \$2,000.

***Motion by Michael Golden to level fund custodial services at \$15,000, a \$5,000 reduction from the proposed \$20,000. Second by David Peck. The motion passed 5-3. (In favor: MG, JM, PM, LM, DP. Opposed: RC, RH, JR.)***

***Insurance account.*** The property and liability insurance rates will increase 5% and coverage has been inadequate, with some buildings not included; the general insurance line item will increase \$5,300 (11.8%). Workers comp rates are expected to increase 3%.

***Code enforcement account.*** The miscellaneous line item increases by \$1,000 to implement improved data processing to monitor code enforcement, including training and software.

There are no increases in the ***Water services*** and ***Water Commission*** accounts.

**Health Agencies account.** No increase. Mr. Golden noted that Visiting Nurses merged with Home Health and, as a board member, he knows that Home Health does not seek local contributions.

***Motion by Michael Golden to delete the Visiting Nurses \$6,150 line item. Second by Jon Rineman. The motion passed 7-0-1 with Robert Copp abstaining.***

**General Assistance account.** Mr. Fournier noted that the funds cut from Visiting Nurses would be helpful in this account due to an increase in welfare requests.

***Motion by Michael Golden to add \$6,150 to the GA account. Second by David Peck. The motion passed 8-0.***

**Recreation account.** The Recreation Director was not in attendance due to illness. The overall budget is down. The addition of a \$1,000 Senior Activities line will support increased programming.

**Patriotic purposes account.** The level-funded \$1,500 helps pay for flags for veteran graves and Memorial Day bunting for town buildings.

**Conservation Commission account** is level-funded. A \$150,000 fund is not a trust fund and is held separately for land purchases and other conservation efforts.

**Debt Service account.** There is a reduction of \$10,000 in the principle line item due to payments of town debt. An increase in interest rates on debt adds \$14,251, and \$5,000 is budgeted for BAN interest.

Mr. Maggiore said that the Select Board proposed budget totaled \$5,554,301. The evening's Budget Committee actions reduced it by \$13,500, which is lower than the default budget.

## **2. Review minutes – January 14 Public Hearing on the School Budget**

***Motion by Michael Golden to approve the minutes as written. Second by Paul Martino. The motion passed 8-0.***

## **3. Adjournment**

***Motion to adjourn by David Peck. Second by Jon Rineman. Approved 8-0. The meeting was adjourned at 10 p.m.***

Respectfully submitted,  
Amy Kane