

OFFICIAL MINUTES

North Hampton Budget Committee Meeting

Tuesday, June 15, 2010

Mary Herbert Conference Room

Call to order: Vice-Chairman Michael Golden called the meeting to order at 7:01 p.m.

Members in attendance: Robert Copp (North Hampton School Board), Michael Golden, Dick Garnett (Little Boar's Head), Robert Hamilton, Paul Martino, Larry Miller, David Peck, Jon Rineman (Select Board)

Absent: Jennifer Simmons

1. Election of Chairman/ Vice-Chairman

Motion by Bob Hamilton to nominate Paul Martino to be Chairman, seconded by Michael Golden. Motion passes 8-0.

Motion by Robert Copp to nominate David Peck to be Vice-Chairman, seconded by Michael Golden.

Mr. Peck declined the nomination.

Motion by David Peck to nominate Michael Golden to be Vice-Chairman, seconded by Jon Rineman. Motion passes 8-0.

2. May 2010 Town Budget Update – Town Administrator Steve Fournier

Mr. Fournier presented the May 2010 General Fund Expense Report. General Assistance is over-expended due to the economy. Overtime in the Fire Department is over by 69% due to injuries and lack of a Deputy to offset hours; savings the Salary line should offset much of the overage. The Town should receive \$75,000 from FEMA for February storm costs.

Mr. Miller asked how many straight time hours were filled with overtime hours; Mr. Fournier will find out. Mr. Hamilton suggested the next Fire contract negotiation include good base salaries plus a proposal to allow 56 hours of work per week before time-and-a-half kicks in. The committee discussed overtime historically in North Hampton and among municipalities in NH. Mr. Golden requested a comparison of injury rates in recent years.

Cemeteries are slightly over budget due to the February storm. Property Appraisal is over due to the number of abatement requests. Mr. Miller asked about cash flow. Mr. Fournier said it was better than expected – tax bills were paid on time and the Town did not have to break CDs. The Town should be slightly under budget by the end of the fiscal year. Unexpended funds will be returned to the general fund.

In response to a question from Mr. Copp, Mr. Fournier said PSNH might provide a grant to replace furnaces. A natural gas line may be extended from Route 1 down Atlantic Avenue within five years. Mr. Peck asked about the overage for the finance director. Mr. Fournier explained that the contracted finance director conducted internal audits and made the town book-ready for audit; less work will be required next year. The Town will

discuss sharing an internal finance director with Greenland. In other items, work has begun on Old Town Hall to make it ADA compliant for elections, to provide a larger space for meetings, and to make offices for the Recreation Department and the North Hampton cable TV station.

Health care is in the forefront of union negotiations this year, said Mr. Fournier. Mr. Peck asked if a mid-year benefits change was possible. Mr. Fournier said yes, but unions would want something in return. Mr. Hamilton asked how much would be saved if union members agreed to a co-pay increase. Mr. Fournier said it would not save money but the percentage increase would be less. Mr. Golden said he was interested in claims history for the Town, to understand trends and losses. Mr. Fournier agreed to provide it. He said claims are up in part because the workforce is aging, H1N1 had an impact, and in bad economic times people opt for elective surgeries while they still have a job. The 25% buyout in the recent contract has saved money for the Town.

Mr. Fournier asked that requests for information come from the entire Budget Committee, during meetings. Also, he will be sitting in on all Budget Committee liaison meetings with department heads. Mr. Golden said he was concerned about potential conflicts of interest regarding Mr. Fournier's position on the Board of Directors of the Local Government Center. Mr. Peck said Mr. Fournier's advisory capacity for one of the Town's largest suppliers was a potential conflict and asked if the Town gained a benefit. Mr. Fournier explained the LGC and his position on it, saying it is a small state and most people are on one board or another, and other communities would like to get the same amount of clout.

Mr. Martino suggested hiring a professional to present an economic outlook to the committee before budget season. Mr. Fournier said he would try to find someone, maybe through the NH Center for Public Policy.

3. School Update - Robert Copp

Mr. Copp said the new SAU 21 superintendent is Robert Sullivan. Bob Berry will not return as business administrator. The assistant superintendent left. Reorganization will occur due to Hampton leaving the SAU.

Mr. Copp shared data on budget line item transfers. Highlights include an increase in SPED salary expenditures, legal fees increase, POs issued last year that paid out this year, unused money in the tuition reimbursement line, and an increase in School Board expenses due to the additional election, the UNH survey, and printing the annual report. Money is available from the assistant principal line. Health benefits increased as teacher status changed with marriage or children. In the available budget, \$198,220 is remaining for the month of June. Excess will go into the health care stabilization fund and some may also be available for the building reserve fund.

Mr. Copp reported on the food service program, including classroom gardens, the community garden, and a long-term farm-to-school initiative, as well as challenges such as storage and staff training. Teacher contract negotiations have begun. After a bus company audit, North Hampton received a \$7,000 refund. In one year, the donor town collar will be removed and North Hampton will receive less money from the state. Mr. Hamilton said the school could receive more money from the federal government if 12% or more of students are receiving free or reduced lunches. Mr. Martino asked about

plans for a school addition. Mr. Copp said a committee is examining needs, including more space for technology, science labs and all-day kindergarten. Mr. Copp said the school is purchasing a sander for the town, and the town will take over sanding and salting for the school.

4. Review budget cycle

Mr. Golden asked committee members to share thoughts on the past budget cycle. Mr. Martino said bringing in an expert would help justify committee recommendations. Mr. Hamilton agreed to update some of the big-picture information he gathered last year. Mr. Golden suggested looking at other towns. The committee discussed North Hampton and Rye similarities in demographics and differences in allocation of funds. Mr. Martino suggested an earlier review of items the committee should understand, such as the default budget, LGC, and capital reserve funds. He also suggested liaisons present their information to the committee before budget reviews begin. Mr. Copp cautioned about what information is shared while budget are still being developed. Mr. Miller asked for extra meeting time built into the calendar. Mr. Rineman reviewed the Town budgeting process last year. Mr. Copp asked committee members to direct questions through him rather than Nancy Tuttle.

The next meeting will be scheduled at the end of July and include a review of the Little Boar's Head budget. Mr. Martino asked members to email their department liaison preferences to him before the next meeting.

Adjournment

Motion to adjourn by Michael Golden, seconded by Paul Martino. Motion passes 8-0. The meeting was adjourned at 9:25 p.m.

Respectfully submitted,
Amy Kane

(Minutes were approved August 2, 2010.)