



## **TOWN OF NORTH HAMPTON, NEW HAMPSHIRE**

Notice is hereby given that in accordance with the requirements of RSA Chapter 91-A and RSA 32:5 that a Meeting of the Budget Committee will be held on the 7<sup>th</sup> day of March, 2011 at 7:00 PM at the Town Hall located at 233 Atlantic Avenue in North Hampton, New Hampshire.

This purpose of the meeting is to hold the public hearing on the Fiscal Year 2011-12 Proposed Town Budgets and Warrants.

Chair Martino opened the public hearing on the Fiscal Year 2011-12 Proposed Town Budget and Warrants at 7:00 PM.

Those Budget Committee members in attendance were: Larry Miller, Bob Hamilton, Bob Copp, Chair Paul Martino, Michael Golden, Jennifer Simmons, Dickie Garnett and Select Board representative Jon Rineman. Absent from the public hearing was David Peck.

Chair Martino stated that the Budget Committee has been working on the budget since last August, and at that time tried to frame what the budget should look like. He further stated that one of the central components agreed on was that they should try to set a budget that did not exceed the Town's ability to pay. Chair Martino stated that any motion to change anything would require another public hearing.

Chair Martino introduced Town Administrator Fournier and stated that he would be presenting the budget this evening.

Town Administrator Fournier reviewed the budget process and stated that the first step is that the department heads submit their budget proposals to him and he then compiles one document to present to the Select Board. During the late fall, the Select Board reviews, makes changes and then presents their approved budget to the budget committee for review. The next step is the budget committee reviews the budget and forwards one to Town Meeting for approval.

Town Administrator Fournier stated that the recession is slowly starting to turn around. In December of 2010 the unemployment rates nationally was 9.4%; state wide 5.7%; county wide 4.8%; Portsmouth labor market 4.7%; and in North Hampton 4.1%.

The Consumer Price Index (CPI) is what the town tends to base increases on. The CPI for Boston started at 2.6% and in September showed a -0.1% and in January back up to +1.1%.

A seven year tax rate comparison was shown, and a slide showing the percentages of where the tax rate went shows that 51.54% is local school, 26.10% is town, state school is 15.55% and the county is at 6.81%.

The Select Board proposed a bottom line budget of \$5,600,976 which is an increase of 2.64% over the previous fiscal year.

The budget committee is proposing a bottom line budget of \$5,544,004 which is a decrease of \$56,972 from the Select Board proposed, and total cuts to be made are \$129,793 due to the difference between the state retirement contribution and the 25% contribution from the budget.

Town Administrator Fournier next discussed the general fund budget by function. Public Safety is the largest portion of the budget at 49%. General Government is 20% of the budget, Public Works is 18%, Culture and Recreation is 7%, Debt Service is 6%, Health and Welfare less than 1%, and Conservation Commission at less than 1%. He further stated to break it down further by object, personnel services account for 69% of the budget. The increase in the budget shows that 36% is going to Fire and Rescue, and 28% to Highways and Streets. The rest of the increases are all single digits.

Budget highlights show that increases from Fiscal Year 2011 come from retirement at \$81,638, lease payments for a cruiser and a front end loader at \$53,282, Debt Service which includes the bond to pay for the Corbett property that the Select Board and North Hampton Forever approved in the amount of \$22,720, and the Library at \$11,992.

Decreases in the budget from Fiscal Year 2011 show that health care has been reduced due to attrition to 4.96% and that \$70,000 will be used from the Health Care Stabilization Fund to offset any increases. Health care rates for Fiscal Year 2012 came in lower than expected at 14.6%.

Town Administrator Fournier stated that cuts were made to the following in order to reach the budget committee's bottom line request: \$8,793 to Select Board salaries; \$39,743 to health insurance; \$8,000 to the community newsletter contribution; \$3,000 to the contribution to Coalition Communities; \$4,000 to reduce Financial Management Services; \$13,450 contribution to Health Agencies; \$10,155 to Social Service Agencies; \$5,000 to Welfare and \$970 to maintenance at Dearborn Park.

Chair Martino stated the he and the Town Administrator had asked that the budget committee give him a bottom line number and that he would be able to work the numbers and decide where reductions could come from.

Town Administrator Fournier stated that it was a goal of the Select Board not to affect any employees. Select Board budget committee representative Rineman stated that he wanted to make it clear that he did not vote in favor of the bottom line number given by the budget committee.

Town Administrator Fournier reviewed the default budget and stated that it is last year's budget, minus any one-time expenditure, plus any contractual obligation. The default budget is \$146,972 than the proposed budget.

The revenue budget is estimated at \$1,525,305. Decreases are in motor vehicle registrations and interest on investments.

Warrant Articles were reviewed and the total through taxation is proposed at \$428,750, the total to be withdrawn from Capital Reserve Fund is \$353,860 and the total to be withdrawn from Fund Balance is \$45,000.

Selectman Rineman asked if the budget committee would like to have the three department heads discuss the cuts that they made in their budgets.

Chair Martino stated that he would support that, but that traditionally the budget committee has held it “close to the vest” and tried to drive line items. This year they did not do that at all this year, and for full disclosure he stated that he might have chosen a different way to do it than the Select Board did.

Selectman Rineman stated that they Select Board asked department head’s for their help in order to get to the budget committee’s number.

Mr. Golden stated that he did not object as long as it is an informational without canvassing their trying to get a different number.

Chief Cote stated that he cut approximately \$5,000 out of the budget. Call men’s salary was reduced by \$1,000; training and education was reduced by \$2,300; station supplies, station maintenance, and some equipment were all level funded.

Chief Page stated that he could not give big numbers as he was already at a 1.8% decrease over the previous year. He further stated that the problem that remains is that the money he took out were contract issues. If the union should ask they have to be given the money, and therefore he will have to take the money out of somewhere else such as gasoline or supplies.

Chief Page stated that from the surveys he has seen in this town, the residents do not want to cut public safety. He further stated that has been made very clear including the survey that was done by the budget committee.

Chief Page stated that he had originally budgeted \$13,000 for training and education, and that there is a stipulation in the union contract that employees will be reimbursed for an associates, bachelors or master’s degree. He stated that he has not received any requests from anyone that they are going for their master’s degree, so he cut that by \$3,000. Chief Page reduced new equipment from \$2,200 to zero; building maintenance was reduced to zero from \$400, for a total off \$5,600 cut from his budget.

Chief Page stated that he hoped that there would not have to be any further cuts because the only thing left to be cut is personnel.

Mr. Golden stated that he wanted to go on record as stating these are extremely difficult economic times, and a good portion of the town is retired or on a fixed income. We are seeing pressure from the state cutting back on retirement, higher health care costs, higher fuel costs, and he stated he

wanted to applaud the department head's for the town for turning in a very doable budget with some sacrifice.

Mr. Miller stated that the amount spent on employees was not going down due to rising costs in retirement and health care. The town is in fact shouldering higher costs, and they just happen to be out of control costs. Mr. Miller verified with the Town Administrator that there were no "head count cuts."

Jim Maggiore, Hobbs Road, representing "J.Q. Public," stated that he had sat in the budget committee's seats and appreciated the budget committee's direction in giving the Select Board and the Town Administrator a number. He further stated that he encouraged the budget committee to reconsider refunding some money to the budget in order to continue to have quality services to the town.

Mr. Miller asked what services were being cut.

Mr. Maggiore stated that most of the health care services were cut as there was "no real fluff" anywhere in the budget.

Mr. Miller stated that he felt it was disingenuous for the Select Board to request that money be refunded to the budget as there is a \$200,000 decrease in revenues, and there is no money to give back. He further stated that what they do have is the lingering effects of a recession, and retirement and health care costs that are out of control.

Mr. Hamilton stated that there was a \$25,000 merit pay increase last week which has now become \$15,000 which will give the non-union employees approximately 2% salary increase.

Mr. Golden stated that it troubles him that it keeps being said that they have no control over collective bargaining when in fact there are two sides to bargaining-one for the town and one of the employees. He further stated that it also pains him to cut the money for social services.

Mr. Hamilton stated that it has concerned him for some time. He further stated that a huge part of the budget has to do with personnel costs. More than half of that in our town is union contracts. Mr. Hamilton stated that he doesn't feel the budget committee serves the town well by just saying yes or no to a contract while under terrific pressure to approve something that may have taken a year or three years to negotiate. Mr. Hamilton stated that he felt the Select Board should meet with the budget committee and ask how they felt the contract negotiations should go and let them give their input.

Mr. Golden stated that he felt it was important to clarify his comments. He stated that he is in no way saying that the collective bargaining agreements that the town has have not been negotiated in good faith. He stated that his comment was that there is a choice. He is not judging the dollars of the agreements, and is just saying that there is a choice.

Chair Martino read through the warrant articles.

He stated that a majority of the budget committee was against the \$3,000 for fireworks because they are asking for other cuts.

Jean Robinson, 197 Atlantic Avenue stated that the fireworks is a small amount of money, and that it was a very enlightening thing and very pretty. It was a very good ending to a day that the townspeople seemed to like very much, and it was great morale for the town.

Mr. Hamilton stated that no one on the budget committee was against the fireworks, but that they felt that small amounts could be budgeted in a different way.

Mr. Hamilton stated that he would like to thank the Fire Chief for putting the paramedic warrant article forward. He further stated that all of the surrounding communities have a paramedic program, and that we have people in our fire department that are willing to do the training. He further stated that receipts will be approximately 20% more when a paramedic goes out on a call, so that the program actually pays for itself.

Chair Martino stated that the town wide revaluation fund is being created to prepare for the costs associated with the upcoming revaluation.

Mr. Hamilton stated that people in town should understand that when the ambulance goes out it does charge which equals around \$80,000 to \$90,000 per year, and in turn that money is put into the Capital Reserve Fund. This coming year there will be between \$600,000 and \$700,000 in that fund so that what is really being asked is approval to take out money from that fund to pay for the cost of a new fire truck.

Chair Martino closed the public hearing at 8:00 PM.

Chair Martino called the budget committee meeting to order at 8:00 PM. He stated that there had been a request from budget committee member David Peck to wait until the next meeting before voting on the warrant articles that do not involve taxation so that he may participate.

Chair Martino asked if everyone wanted to vote on all the articles this evening and 6 were in favor and 2 were opposed, so it was decided that they would vote on all of the articles at this meeting.

Town Administrator Fournier read through each of the warrant articles in the way in which they will be presented to the Department of Revenue.

Mr. Miller stated that this was the best presentation on the fire truck that they have had in the past three years.

**Motion by Chair Martino to recommend the withdrawal of \$339,560 from the Capital Reserve Fund for the purchase of the fire truck. Seconded by Mr. Copp. Motion carries 8-0.**

Motion by Mr. Copp to recommend the warrant article in the amount of \$25,000 for the Health Care Stabilization Fund. Seconded by Mr. Golden. Motion carries 8-0.

Motion by Mr. Golden to recommend the warrant article in the amount of \$100,000 for the Town Building Maintenance Fund. Seconded by Mr. Copp. Motion carries 8-0.

Motion by Mr. Copp to recommend the warrant article in the amount of \$190,000 for the Road Reconstruction. Seconded by Mr. Garnett. Motion carries 8-0.

Motion by Mr. Copp to recommend the warrant article in the amount of \$70,000 for Mosquito Control Capital Reserve Fund. Seconded by Mr. Golden. Motion carries 8-0.

Motion by Mr. Copp to recommend the warrant article in the amount of \$20,000 for the Earned Time Settlement Reserve Fund. Seconded by Mr. Golden. Motion carries 8-0.

Motion by Mr. Copp to recommend the warrant article in the amount of \$11,800 for the First Year Lease Payment of a Police Cruiser. Seconded by Mr. Golden. Motion carries 8-0.

Motion by Mr. Golden to recommend the warrant article in the amount of \$24,000 for the Paramedic Training Capital Reserve Fund. Seconded by Mr. Hamilton. Motion carries 8-0.

Motion by Mr. Copp to recommend the warrant article in the amount of \$40,000 for the Town Revaluation Capital Reserve Fund. Seconded by Mr. Hamilton. Motion carries 8-0.

Motion by Mr. Copp to recommend the warrant article in the amount of \$2,500 for the Tennis Nets. Seconded by Mr. Hamilton. Motion carries 8-0.

Motion by Mr. Golden to recommend the warrant article in the amount of \$3,000 for Fireworks. Seconded by Mr. Copp. The article is not recommended with a vote of 3-5.

Motion by Mr. Golden to recommend the operating budget for \$5,544,004, and should this article be defeated, the default budget shall be \$5,690,976. Seconded by Mr. Miller. Motion carries 5-3.

Motion by Mr. Copp to adjourn the meeting. Seconded by Mr. Hamilton.