



*Budget Committee Meeting  
Approved Minutes  
November 2, 2011*

---

*These minutes were prepared as a reasonable summary of the essential content of this meeting, not as a transcription.*

---

Chair Paul Martino called the meeting to order in the North Hampton Town Hall at 7:00 PM. Those in attendance were Margaret Allen, Bob Hamilton, Dickie Garnett, Michael Golden, Select Board Representative Jim Maggiore, David Peck and Richard Stanton. Absent: Bob Copp

**1. Review Minutes from the October 4, 2011 Meeting**

**Motion by Dickie Garnett to approve the minutes of the October 4, 2011 Budget Committee meeting. Seconded by Richard Stanton. Motion carries 8-0.**

**2. Review Economic Data and Share Opinions on Upcoming Budget**

Chair Martino stated that at the last Budget Committee meeting there was a lengthy discussion about where the economy stands, and a number of people on the Budget Committee have expressed the sentiment that the committee should try to tie the budget to what the wages are doing in town; i.e., if the wages are going up 3% then it's reasonable to expect the town budget to go up by 3%.

Chair Martino stated that David Peck had put some numbers together and presented a power point presentation at the October 4, 2011 meeting, and would be showing it again at this meeting as it was hard to project the numbers on the television as the last meeting was held in the Mary Herbert Conference Room.

Mr. Golden stated it was not a unanimous sentiment among all budget committee members regarding tying budget changes to wages.

Mr. Peck re-presented the power point presentation from the October 4, 2011 meeting.

Mr. Hamilton stated that there is a difference between per capita and median and explained the differences.

***Disclaimer – These minutes are prepared by the Recording Secretary within five (5) business days as required by NH RSA 91-A:2, II. They will not be finalized until approved by majority vote of the Municipal Budget Committee.***

Mr. Hamilton stated that based on the information on the slides regarding income, the committee needs to figure out what would be fair based on those facts regarding what people are currently making.

Mr. Stanton reviewed information that he had put together on the school. Some of the issues discussed were:

- Since 2005, there has been a 26.4% increase in the school budget amounting to 3.77% per year
- Since 2005, student enrollment has decreased from 497 to 465
- Since 2005, the cost per student has increased over 31%
- Staff ratios for North Hampton school is 84 staff for 465 students, with Rye school having 87 staff for 526 students

Mrs. Allen stated that what she usually does when looking at the North Hampton School budget, is to stay within the SAU and usually looks at Hampton Falls as closer to North Hampton's demographics than Rye.

Mrs. Allen stated that she appreciated the work that Mr. Stanton did, but that they must also weigh out the fact that North Hampton's demographics could be different from Rye, and that the town probably leans a little more toward Hampton Falls. She further stated that when looking at Mr. Stanton's spreadsheet she felt that the big increase in 2007 came when they pulled special education into the school and did not outsource it anymore.

Mr. Stanton stated that Steve Fournier had told him that the Town of New London is the closest as far as demographics to the Town of North Hampton.

Mr. Garnett stated that he would like to see the numbers Mr. Stanton presented with the health care costs and fuel eliminated to see how much it is costing to run the school.

Mr. Golden stated that he agreed with Mr. Garnett and that 70% of the budget is head count, and maybe it would be a good idea to see what the head count has been at the school over the last five years.

Chair Martino asked Mr. Stanton for clarification on the calculation of the percentage of annual increase on the spreadsheet that he presented, and Mr. Stanton stated that he would need to go back and correct a few errors that he was unaware of. He further stated that what generated his report was that as everyone is aware, 70% of the budget is the school with a lot of that being staff, but cannot arbitrarily state that there needs to be a decrease, but wondered if the curve could be flattened so that from year over year there might be a little bit of a change to reflect the fact the school students are changing and decreasing but not a significant amount that you can drop two or three teachers.

***Disclaimer – These minutes are prepared by the Recording Secretary within five (5) business days as required by NH RSA 91-A:2, II. They will not be finalized until approved by majority vote of the Municipal Budget Committee.***

Chair Martino stated that the Select Board had received the Guaranteed Maximum Rate increases (GMR) for health insurance, and that it was good news. He further asked Selectman Maggiore to comment on this.

Selectman Maggiore stated that there are rarely ever decreases and that this year there would only be an increase of 1% and in some plans an actual decrease depending on the plan. These rates will be re adjusted in the spring for the final numbers.

Chair Martino stated that these numbers of health and dental insurance do not include the school as they are in a different pool.

Chair Martino stated that he would like to go around the table to each Budget Committee member and solicit their opinion as to what they feel the budget should come in at this year.

Mrs. Allen stated that she had assumed that there were a larger number of 65 and older residents in town, and wants to strike a balance between understanding where those people are, but also not give a number that is too tight as there are going to be increases at the school. Some of the teachers at the school have taught some of the parents that have kids in the school, which makes them senior level staff and they are highly qualified, but doesn't see them retiring this year. She further stated that after looking at everything and trying to strike a balance she felt a fair number would be to come in at a 1.5% increase for both the town and the school.

Mr. Stanton stated that he believed the school has a trust fund for if and when the teachers get their raise through the SAU.

Chair Martino stated that he thinks of the budget process as giving guidance to the operating budget and contract increases would go on a warrant article.

Mr. Stanton stated that perhaps the Budget Committee could mention to the Select Board to create a warrant article for a trust fund to put funds in for the police and fire if there are any increases, because if the contract isn't received by March 13 and it comes after, there is going to be the problem of finding the funds somewhere.

Mr. Stanton agreed that the 1.5% increase would be a reasonable amount.

Mr. Hamilton stated that he felt a 1.75% increase was reasonable. He further stated that he wanted to be sure that the merit pool for the 13 town employees only increases by that amount as well.

Mr. Peck stated that he agreed on a 1.5% increase, and that is predicated on the 1.7% wage increase for Portsmouth area wages, but at the same time that number does not really reflect under employment. He further stated that it should be noted that the school has been very proactive in developing, over the years, the cafeteria plans for health insurance, and feels it does help with different options and incentives for employees at different stages, and they will chose what makes sense for them and often times it is also in the town's best interest as well. However, for the police and the fire, that do not have a contract, and they have without a new collective bargaining agreement, have chosen to stay with the existing Anthem plan which gives no choices. The fact is that the town is in the pool for that one plan only, and have been experiencing dramatic increases in our health

***Disclaimer – These minutes are prepared by the Recording Secretary within five (5) business days as required by NH RSA 91-A:2, II. They will not be finalized until approved by majority vote of the Municipal Budget Committee.***

insurance costs. He further stated that the analysis that was done last spring showed that the actual payroll for fire and police is dramatically more than the average resident in North Hampton as it is in the area of 4.5%, because the health insurance raised it up so much. If the town had more flexibility to design cafeteria plans it wouldn't go up that much. This really has had a dramatic effect on the town's financials.

Mr. Garnett stated that he would say 1.6% increase for the school although he expects they will come in over that anyway, and that he agrees with Mrs. Allen that the increase should correlate closely to what the average income is for the people that live in the town and are paying the taxes. He further stated that as for the town, he would be curious if the GMR rate was that low what the savings will be.

Chair Maggiore stated that he couldn't speak on behalf of the Select Board, but asked how tight this target is going to be.

Chair Martino stated that in his opinion of where the target should come in, mitigating factors should not be taken into consideration. He further stated that he is not looking to micromanage the budgets.

Chair Maggiore stated that in speaking for himself, he would not want the budget coming in ahead of what the town can afford, and would like to see the budget come in below the cost of living.

Mr. Golden stated that he continues to be concerned with the theme of the last couple of years about people working hard and getting a 2 or 3% increase. He further stated that he is a firm believer in helping people increase the standards of living and they have the responsibility to help people do that.

Mr. Golden stated that he would like to see a \$408,000 decrease in the school's budget because the bond is expiring. He stated he would like to take last year's budget and reduce it by \$408,000. He further stated that because Hampton dropped out of the SAU, the town paid a price in higher administration costs.

Mr. Golden stated that another key component is what the revenue is going to be. He further stated that his recommendation for both the school and the town will be to come in with their budgets flat.

Chair Martino stated that he was unaware until the last budget committee meeting, that if the town approves the SEA and SESPAs contracts, that money automatically goes into the operating budget, even if the other towns in the SAU does not approve them. He further stated that in addition to the bond figure of \$408,000 coming off, he would also subtract that money for the contracts from the budget. He further stated that his number would be 2% for the upcoming budget.

**Motion by Chair Martino that the Budget Committee deliver a message to the school and the town that they have a comfort level of a 1.5% increase on operating budgets that are proposed to the Budget Committee with the caveat that the SAU affect and the final bond payment be "scrubbed out." Seconded by David Peck. Motion carries 7-0-1.**

A suggestion was made by Rick Stanton to send formalized notification to the Select Board and the North Hampton School and the Chair stated he would do so.

***Disclaimer – These minutes are prepared by the Recording Secretary within five (5) business days as required by NH RSA 91-A:2, II. They will not be finalized until approved by majority vote of the Municipal Budget Committee.***

### 3. Other

Chair Martino stated that he will have to change the date of the January 10, 2012 meeting because of the election.

Chair Martino stated that Rick Stanton volunteered to be on the budget committee representative to the CIP committee.

**Motion by Chair Martino to appoint Mr. Stanton to the CIP committee. Seconded by David Peck. Motion carries 8-0.**

Chair Martino stated that the property next to the school is going on the market and that the owner has offered it to the school for purchase.

Chair Martino stated that he was looking to line up liaisons to town departments.

The committee agreed on the following:

Public Works Department – Dickie Garnett

Administration – Paul Martino and David Peck

School – Bob Hamilton

Police – Margaret Allen

Fire – Rick Stanton

Library – Dickie Garnett

**Motion by Rick Stanton to adjourn the meeting at 8:15 PM. Seconded by Bob Hamilton. Motion carries 8-0.**

Respectfully submitted,

Janet Facella  
Administrative Assistant

***Disclaimer – These minutes are prepared by the Recording Secretary within five (5) business days as required by NH RSA 91-A:2, II. They will not be finalized until approved by majority vote of the Municipal Budget Committee.***