



Budget Committee

**Margaret Allen
Dickie Garnett
Michael Golden**

**Robert Hamilton
Victoria Kilroy
Larry Miller**

**David Peck
Richard Stanton
Michael Walzak**

Budget Committee Minutes

Wednesday, August 22, 2012
Old Town Hall
7:00 PM

1. Call to Order

Meeting was called to order by Chair Rick Stanton at 7:00pm.

Mr. Walzak and Mr. Hamilton had excused absences.

Pledge of Allegiance

2. Vote for Chair and Vice-Chair of Municipal Budget Committee 2012-2013

Mr. Stanton made a moved to vote for a Chair and Vice-Chair. Mr. Peck second. Mr. Stanton explained that all members of the Budget Committee are allowed to vote for Chair and Vice Chair. Only At-Large members may be Chair.

Mr. Garnett nominated Mr. Stanton for Chair, Mr. Golden second. Motion carried 7-0.

Mr. Golden nominated Ms. Allen for Vice Chair, Mr. Stanton second. Motion carried 7-0.

3. Economic Review, Mr. Steve Norton, Executive Director of NH Public Policy Center

- North Hampton population growth has slowed. Development has slowed, transactional revenues have slowed, all revenues for municipalities have declined in general.
- Demographics have changed since 2000. Peak number of children has passed, expect declining school population over the next few years, unless there is an influx of new young families.
- Town has aged in place, no new influx of retirees.
- IRS data is available that indicates what income a new resident has when they move to town. Ms. Allen requested that report be sent to the Budget Committee.
- Mr. Norton posed looking at the property tax exemptions for the retired wealthy versus those with fixed income.
- As school population decreases, marginal costs increase. Additional young families via new housing would spread these costs over a larger base.
- New Hampshire lost about 60,000 jobs in this recession, not certain if we have hit bottom. Recovery has not happened and unclear when recovery will occur. A 1.5-2.0% job growth can be expected.
- Job creation has slowed everywhere.
- GDP in NH now slowly growing at 1.5-2.0%
- Recovery is being seen in business services, tourism, education and health services.
- Wages increased in North Hampton 2012 but unclear as to why. This contradicts the 1.5-2.0% growth pattern.
- Mr. Stanton requested data that shows the variances in earned wages for North Hampton and Portsmouth.
- Mr. Peck presented information regarding wages that reflected flat to very modest wage growth over the past few years.
- Mr. Peck shared Unemployment and Underemployment data for NH versus the US. The reported unemployment rate for NH is 5.4%. However, when you add in the people who have stopped looking, are marginally employed or underemployed that number increases to 5.8%.
- Mr. Norton presented Adjusted Gross Income Data for North Hampton that showed a 10.6% increase for reported income between 2001-2007. 2008 showed a drop. Overall there appears to be growth in wealth for North Hampton that seems to be tied to the interest and dividends from stocks.
- Mr. Norton indicated that his research shows the increase in expenditures for North Hampton is driven by the Municipal budget and not the School budget, which has remained relatively flat.

- Mr. Norton presented data that showed property values have fallen, state aid to towns has fallen and revenues have decreased while appropriations are increasing.
- Mr. Norton's summary:
 - Pressure on revenues for the town
 - Wealth is growing but what is ability to pay
 - State aid could be expected to stay flat but has many pressures to decline due to need to lower expenditures.

*Recess at 8:28 pm

*Call to order at 8:37pm

4. New Business

Mr. Stanton said the possible LGC payout to the town, per Mr Fournier, was approximately \$42,000.

Next Budget Committee meeting would be Wednesday, September 19. The agenda will be: CIP, Actual vs. Budgeted expenditures for the School and Town, discussion of budgetary goals for School and Town.

Ms Facella will not be able to do the minutes with the Town Administrator leaving and there is an opening to do them for the committee. Please contact Ms Facella if interested.

Mr. Miller stated that the Select Board would not be filling the Town Administrator position until January and that this budget season will be completed without a Town Administrator.

5. Approval of Minutes of Previous Meetings

Budget Committee Minutes of June 4, 2012. Ms. Kilroy moved to approve the minutes, Mr. Garnett second. Motion carried 7-0

Budget Committee Minutes of July 30, 2012. Mr. Garnett moved to approve, Mr. Peck second. Motion carried 7-0.

6. Other

Motion to adjourn at 8:56pm.