



### **Budget Committee**

**Margaret Allen  
Dickie Garnett  
Michael Golden**

**Robert Hamilton  
Victoria Kilroy  
Larry Miller**

**David Peck  
Richard Stanton  
Michael Walzak**

### *Budget Committee Meeting*

Wednesday, September 19, 2012 at 7:00 pm

Where: Town Hall

#### Minutes

Excused: Michael Golden

#### 1. Town End-of-Fiscal-Year Review.

New Town Interim Administrator, David Caron introduced. Mr. Caron detailed four largest contributing factors for this FY budgeting process.

NH Retirement System: expect 21-26% increase in town contribution due to decrease in amount Board of Trustees contributes. \$105K total FY '14, +1.7% to FY'13 budget.

Wage adjustments: 3% salary increase = \$45K, 0.8% over FY '13.

GMR: estimate to be presented to Select Board is 8%, \$55K, 1% over FY'13.

Workers Comp/PLT caps: if 7-8%, add \$8.8K, .15% over FY'13.

Town facing increase of 3.65% over FY'13 with these increases if all else flat.

Tom McCormick took questions from the Board in addition to Mr. Caron.

Mr. Walzak asked about the increase in legal fees. Mr. McCormick said he would get a detailed breakdown as to what those were, but that most of the cost was due to abatement proceedings.

Mr. Stanton suggested starting a revolving fund to cover such expenditures.

Mr. Caron discussed the town wide revaluation and to expect more abatement fees FY '15.

Mr. Peck inquired about the Financial Management Services increase. Mr. McCormick said he believed this was a one time cost due to changes in auditing procedures.

Mr. Garnett noted that all maintenance lines were over budget. Mr. McCormick stated that most of that is equipment issues that department heads may address. Replacement equipment is listed in the CIP. With the change in the Fire Department Equipment Trust Fund to now include maintenance, that should mitigate overages on FD maintenance costs.

Mrs. Allen noted that General Assistance was \$23K under spent. Mr. McCormick credited the mild winter and cautioned against decreasing that line item. Mr. Peck questioned if the assistance was accessible enough to people in need. Mr. McCormick assured that the funds are accessible and that this line should not be decreased. Mr. Peck and Mr. Stanton agreed that perhaps the information needs to be broadcast better.

Mr. Miller asked where the \$58K was and Mr. McCormick stated it was in the General Fund. Mr. Miller also stated that they audit was good news for the town. Mr. McCormick concurred and stated that the auditors requirements lead that line to be over spent and that Information Technology was the other over expenditure. \$11K over budget is due to software, software support and user fees. Mr. McCormick said they would analyze and forecast that number better in the future.

Mr. Hamilton thanked Mr. Caron and Mr. McCormick for going over the major budgeting issues.

Mr. Miller, Mr. Stanton and Mr. Peck commented that the Town did a great job managing the budget and coming in under on a very tight budget.

Mr. Stanton asked for more information on Street Light budget and the study that the Energy Committee conducted and what was the outcome.

Mr. Peck asked if there were any staffing changes for budgeted positions. Mr. McCormick stated, not at this time. He stated the Town would hire a full time Town Administrator and fill a Police Officer position.

Mr. Peck also requested that Mr. McCormick provide the same reports with the same format as last year in advance of BudCom meeting date for the town. Mr. McCormick said that he would.

Mrs. Allen asked if there was an expected increase in Water Services and Mr. McCormick said that should also be expected.

Police Chief Brian Page addressed the Committee. Chief Page said he expected a new Officer to start soon and he would have a full force after much turnover. He also stated that warranties are running out and that the cost of maintaining the vehicles increases greatly. He felt the town needed two new cruisers this year. Overages in budget came from building maintenance which was not budgeted and overtime due to not being at full staffing.

Mr. Stanton noted that it didn't seem as if the PD budget could decrease with being at full staffing. Chief Page said it was critical to not go below current staffing levels.

Chief Cote discussed the Fire Department Budget. He noted that three areas were over budget: Overtime, maintenance of the ladder truck and maintenance of the ambulance. Even with the ambulance being out of service for a few weeks, ambulance revenues for the reserve fund are at an all time high of \$109K. Mr. Stanton explained that this covers purchasing new vehicles. Chief Cote added that it also now covers maintenance. A new ambulance cost \$150-200K.

Chief Cote stated that overtime overage was due to vacation, sick leave and injuries outside of work. He also noted that the department was waiting for reimbursement of various training programs that cover training, salary, overtime, etc.. The total amount still due to the department is somewhere around \$24K.

Mr. Hamilton inquired about Paramedic training. The Chief stated that they will begin that when the next session starts and he also noted that the new Fire Engine has been in service for the past two weeks.

John Hubbard spoke regarding the Department of Public Works. He stated that the department benefitted from a mild winter and that maintenance should decrease as they replace older vehicles.

Chief Cote spoke as the Health Officer for the town. He stated that the Little River Project was successful in decreasing the amount of pollutants by identifying three major septic failures. There has been a 90% improvement. Mr. Stanton stated that it would be prudent to continue testing on a lesser level. Chief agreed that the budget line for testing does not need to be kept at \$10, but that the line item should be kept if more testing is needed in the future.

Chief Cote brought up the need for continued Mosquito Control with two positive tests for West Nile Virus this year. A discussion ensued regarding whether Mosquito Control should be a Warrant Article or an Operating Budget line item. The consensus was that a Warrant for Mosquito Control kept that money in a reserve trust fund specifically for Mosquito Control. That would not necessarily be the case if this item were in the operating budget.

## 2. North Hampton School End-of-Fiscal-Year Review.

Bill Hickey mentioned that the School Board has not gone through the year end review. Mr. Stanton asked for the dollar figure increase from the CBA. Mr. Hickey said he did not have that number but that this year's retirement increase would be \$110K and the second year of the CBA would be \$105K, not including the SESPA number which we would have to pull from the warrant. He said that GMR would be out 10/12.

Mr. Miller asked how much money is being returned to the taxpayers. Mr. Hickey stated there was about \$10K in surplus from the operating budget. Trust funds, due to SEA and SESPAs contracts being passed the year prior only by this school district but not the SAU, should be filled by the \$71K in unanticipated revenue per School Board approval 10/20/12. Mr. Hickey then stated that \$20K would go back to the taxpayer. Mr. Stanton clarified that those funds will get applied to our next tax rate by the state.

Mr. Walzak referred to page 14 of Mr. Hickey's handout, containing a schedule of the surplus and the unanticipated revenue.

Mr. Stanton clarified, \$71K from SEA and SESPAs get set aside? Mr. Hickey said those funds, since they were approved by this school district in the SAU, are accounted as revenue.

Mr. Stanton asked for an explanation of the Food Service shortfall and subsequent transfer of funds to that line. A discussion took place regarding the overhaul in the school lunch program and the hope that providing healthier, homemade, fresher offerings would increase revenues.

Mr. Peck congratulated NHS, the School Board and the SAU for coming in under budget and for funding the trust funds. Mr. Peck then inquired about the school census and the staff census. Mr. Sweet indicated that a official student census is due 10/1 and that full time staff was the same TY v. LY and that retirement requests were due 12/1.

Mr. Stanton commented that the overall budget management was good, but that there were places that needed to be looked at like Professional Services in Special Education. Legal expenses also jumped up in Special Education.

A discussion continued led by Mr. Walzak regarding what those legal fees were exactly and whether the committee may have a breakdown of what has happened and what could be expected in terms of cases/costs for the current FY13 and FY14 budget process. It was decided that Ms Kilroy would be prepared to discuss, as legally permissible next meeting.

Mrs. Allen asked what line item covers the current Special Ed Audit and Mr. Hickey indicated that it was an additional cost to the current budget.

3. Capital Improvement Program status report.

Mr. Stanton introduced the work of the CIP committee from the last year. It gives a six year time horizon for all Town and School projects. It was noted by Mrs. Anne Ambrogi that the School Board is going to revisit its projects and reprioritize them as needed. Mr. Stanton noted that a template for Capital Improvements for both the Town and School is now in place.

4. Special Report on NHS Greenhouse.

Mr. Hamilton explained the health and educational impacts of adding a greenhouse to the school. As of now, the project will be privately funded although there still may be some money requested in the future via the CIP. There is a Flamingo Project fundraiser currently going on around town. Please visit the [northhamptonschool.org](http://northhamptonschool.org) for a application to join the fundraiser or to find out more about the project.

5. Discussion of budget goals for FY 2013-14.

Mr. Peck led the discussion noting that several times during Mr. Norton's Economic overview an increase between the range of 1.5-2.0% seemed reasonable. He stressed that affordability to the taxpayer should be the goal of any budget increase. Mr. Miller stressed that Town revenues are down, interest on investments are down and the state is pushing more costs to the towns. Mrs. Allen indicated that she agreed with the 1.5-2.0% increase range but noted that both the Town and School budgets have built in increases of 3-3.65% and other areas of the budget would have to be trimmed.

Mr. Walzak put forth that inflation and affordability should not be looked at in isolation.

Mr. Garnett stated that 1.5-2.0% sounded fine but the school tends to come in over BudCom goals over the past two years.

Ms. Kilroy agreed with the percent increase noting that she and the School Board also need to protect educational integrity.

Mr. Peck requested the committee give a goal and let the departments work towards that. Mr. Miller commented that the Town budget is leaner than the School budget and he felt a 1.5% increase would mean staff reductions.

Mr. Stanton suggested that the BudCom yardstick, based on affordability, is a 1.8% increase.

Mr. Hamilton suggested that maybe the Town and Budcom could split the difference on the retirement increase with the Town making cuts in services and BudCom increasing their goal.

Mr. Walzak cautioned against presupposing what management will do with any goal or their budgeting process.

Nancy Tuttle felt that voters voted for the CBA's and don't expect a cut in services.

Mr. Peck made a motion to put forth a Budget Goal increase for the School and Town to 1.8% to the prior year budget and to ask that both put best efforts to reach that goal. Mrs. Allen second.

Discussion: Mr. Garnett questioned the need for a motion since all department heads were present and heard the discussion and where the board stood. Mr. Peck stated that a formal motion allowed discussion as a team. Mr. Miller and Ms. Kilroy indicated they would abstain so as not to show support while not necessarily disagreeing. Motion failed: 3-3-2.

Mr. Hickey stated the School Budget would be delivered to BudCom 11/7, one week prior to their budget meeting.

6. Minutes of August 22, 2012.

Ms. Kilroy motion to accept, Mr. Garnett second. Motion passed 6-0-2.

7. Meeting adjourned at 9:30pm.