



TOWN OF NORTH HAMPTON, NEW HAMPSHIRE
SELECT BOARD

APPROVED MINUTES 03/25/2009

REGULAR MEETING - WEDNESDAY FEBRUARY 25, 2009 –7PM
MARY B HERBERT CONFERENCE ROOM

1. **Non-Public Session – 6:30 in the Executive Conference Room 2nd Floor pursuant to RSA 91-A:3 II (a - compensation, b – hiring , c - reputation)**
 2. **Call to Order & Call of the Roll**
Motion by Selectman Salomon to allow Selectman Coutu to participate in the meeting telephonically. Seconded by Chair Creighton. Motion carries 3-0.
 3. **Consent Calendar***
Motion by Selectman Salomon to approve the consent calendar. Seconded by Selectman Coutu. Motion carries 3-0.
 4. **New Business**
 - 4.1. **Nomination of Sarah Maloney to the Recreation Commission**
Motion by Selectman Coutu to elect Sarah Maloney to the Recreation Commission. Seconded by Selectman Salomon. Motion carries 3-0.
 - 4.2. **Nomination of Jane Palmer to the Cable Advisory Committee**
Motion by Selectman Coutu to appoint Jane Palmer to the Cable Advisory Committee. Seconded by Selectman Salomon. Motion carries 3-0.
 - 4.3. **Request to pave Centennial Hall parking lot**
Motion by Selectman Coutu to allow the FOCH (Friends of Centennial Hall) to pave the parking lot on the property owned by the Town, which said property is being leased from the Town of North Hampton. Seconded by Chair Creighton. Selectman Salomon recued himself stating that he was formerly on the Board of Directors at Centennial Hall. Motion carries 2-0-1.
 - 4.4. **Proclamation of Red Cross Month**
Chair Creighton read the proclamation declaring March Red Cross Month in the Town of North Hampton.
Motion by Selectman Salomon to authorize Chair Creighton to sign the proclamation as read. Seconded by Selectman Coutu. Motion carries 3-0.
 - 4.5. **State Budget – Select Board Stance On Various Revenue Proposals**
TA Fournier explained the LGC's stance and asked the board if North Hampton will support their position on these proposals.
Motion by Selectman Salomon to authorize the NHMA to support the increase in rooms and meals tax as long as the municipality receives the extra money. Seconded by Selectman Coutu. Discussion. Selectman Salomon stated that this issue is a political hot potato and the political pressure on the Governor suggests the money would most likely go to town.
Selectman Coutu amended the motion to include two points, to support increase with a cap at 1% of current rates and that proceeds are to benefit towns and cities. Motion carries 2-1.
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Motion by Chair Creighton not to support proposals. Seconded by Selectman Coutu. Motion carries 3-0.

Selectman Salomon made a motion to oppose utilizing the federal stimulus funds to shore up the state budget. Seconded by Selectman Coutu. Motion carries 3-0.

Chair Creighton stated that she had received an email from State Representative Judy Day regarding the Evergreen Bill. Chair Creighton stated that she responded to Ms. Day and asked that she provide the board with information as to the pros and cons so that the board would have more information to make a decision. Chair Creighton asked the Town Administrator to respond after reading Ms. Day's response. Selectman Salomon agreed that he would like more information and stated that generally speaking, the Evergreen Bill would put the town at a disadvantage regarding any negotiations. Town Administrator Fournier stated that the intent of Evergreen Bill was to make sure that health benefits would continue if a contract wasn't reached. The bill has now been expanded to include pay increases as well, and that has a much larger impact.

4.6. Cable TV Policy

A memorandum of understanding was received from Laurel Pohl regarding the day to day operations of Channel 22. Town Administrator Fournier stated that he had concerns after reading the memo, and Ms. Pohl agreed that some changes needed to be made. Chair Creighton asked that the Town Administrator and Ms. Pohl work together on an updated memo of understanding and that they present at the next Select Board meeting on March 25. Chair Creighton stated that the authorization for bringing the station manager in house to report to the Town Administrator took place at the February 25 Select Board meeting.

4.7. *Added* - Formation of a committee to review alternative retirement options

Chair Creighton introduced Richard Ingram Executive Director of NHRS and resident of North Hampton. Selectman Coutu asked about the underfunding at the NHRS and if in fact he had facts correct regarding the town's responsibility on this issue. Mr. Ingram stated that the legislature is considering a number of provisions to amend or revise, and that the Legislature is plan sponsor. Mr. Ingram stated that he was not aware of any conversations to look at entirely different structures. Mr. Ingram stated that he would be willing to work with a committee to help answer questions that Selectman Coutu and Terry Conklin may have. Town Administrator Fournier thanked Mr. Ingram for his input thus far. Selectman Salomon noted that the impact on the budget will only get worse. Mr. Ingram stated that there is no threat to benefits being paid to current retirees, and that further answers on the proposed budget would be decided on June 30.

Motion by Selectman Salomon to form a committee to review alternate retirement options, and initially appoint Selectman Coutu and Terry Conklin to the committee. Seconded by Selectman Coutu. Motion carries 3-0.

5. Items Laid on the Table[†]

- 5.1. Select Board Rules and Procedures
- 5.2. Fire and Police Radio Communication Issues
- 5.3. Personnel Policy Review
- 5.4. Capital Improvement Plan
- 5.5. Review of forms of government

Chair Creighton stated that these items will not be picked up until April Select Board meetings.

[†] Items laid on the table shall remain on the table until a member of the Board of Selectmen makes a motion to remove such item from the table.

6. Report of the Town Administrator

FY09 Budget Update: With 58% of the year complete, we are running slightly above budget coming in at 37% remaining for the year. Some of the areas that I am monitoring are Bookkeeping services, which we knew we were going to over expend due to the hours dedicated to the Town Accountant versus the contracted services. I will be recommending that we transfer funds from the PT Receptionist Line in the Executive Department to this line item to cover any overages. Another area that I am having the Town Accountant look at is that the current budget shows that we have over expended the Revaluation line by \$58,804. These funds were encumbered from FY08 and should not have an impact on the FY09 budget. In addition, General Government Buildings is running higher than budgeted. We will be reviewing these items to see if we have any items in this that can be taken from the Building Capital Reserve Fund. Fire, Police and Highway are running slightly higher, but we are anticipating some reimbursement from FEMA due to the ice storm in December.

Trustees of the Trust Funds Report: I am attaching a copy of the January report of the Trustees of the Trust Funds to this report.

Treasurer's Report: I am attaching a copy of the Treasurer's Report to this Report.

Cable Franchise Agreement: We have received a letter from Comcast expressing their interest in negotiating a new franchise agreement. I have forwarded the letter to Attorney Rob Ciandella, who we used to negotiate the last franchise agreement and will have the Cable Committee review this as well.

Deliberative Session: At the February 11, 2009 Meeting of the Select Board, Chair Creighton brought up some issues with Deliberative Session that the Board asked me to look into more. I have read the articles and done some research. Here are the answers to the concerns.

At the meeting, it stated that an Article in the January 2009 issue of *New Hampshire Town and City* which is published by the NH Local Government Center said that Town and School are allowed to place a number of budget articles on the Warrant (i.e. the Municipal Budget Committee's Proposed Budget Would be one article, the Select Board's would be another, and an amended article would be a third.) The budget that received a plurality would become the operating budget for the coming year.

I read the article that was published in the *NH Town and City Magazine* and talked with the author of the article. The process that is outlined in the article is followed in the Kearsage School District. In this same article, the author states that "*In my district, we have a charter and the system is a hybrid.*" This is the important fact in the article. Since Kearsage has become a chartered school district, they have the right to propose this system of approving the Budget. The Town of North Hampton and the North Hampton School District does not have a charter and as such must follow the guidelines adopted under RSA40:13 Use of the Official Ballot (commonly known as SB2.)

At the meeting it was stated that RSA 40:10 mentions that the restriction prevents overriding of a vote for a period of at least seven days which gives time to notify all voters in the town and an opportunity for advocacy on both sides of an issue. This information is in the January 2009 issue of *New Hampshire Town and City*.

I reread the article in *New Hampshire Town and City* and reviewed the State Statutes. The provisions of RSA 40:10 that allows the reconvening of a Town Meeting no less than seven days of the meeting to vote on a motion to reconsider in order to allow a individuals on both side of an issue to have time to advocate the issues. Earlier in the article, it states that this

applies to communities that have a traditional Town Meeting, and have not adopted the use of the Official Ballot as we have. In the article, the author states that “*Since there is **no opportunity for reconsideration after the deliberative session**, it is especially important for the governing body, the budget committee and the moderator to be prepared to detect, explain and hopefully avoid adverse consequences of ‘No Means No.’*”

Governor’s Budget Message: Governor Lynch has delivered his proposed budget for the Biennial Fiscal Years 2010 – 2011 to the State House of Representatives and the State Senate. Besides the numerous cuts he is making to the various State agencies, the Governor has decided to reduce the aid that the State provides to the Municipalities. First he has “suspended” the aid that we would receive from the “Rooms and Meals” tax, as well as what they refer to as revenue sharing. This is estimated as a loss of \$235,015 in revenues to the Town of North Hampton. This year the Select Board, Municipal Budget Committee and Town Department Heads knew that the Town was facing some difficult times and made some significant reductions to the operating budget of the Town. When looking at the budget that was been placed on the ballot for deliberative session, and using the current total Town assessed value this loss of revenue may have the following impact.

Current

Proposed Expenses for FY10	\$	5,318,338
Proposed Revenues	\$	1,727,055
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Total Amount to be Raised Through Taxation	\$	3,591,283
<i>Tax Impact of Operating Budget[‡]</i>	\$	3.59

If Room and Meal and Rev. Sharing Suspended

Proposed Expenses for FY10	\$	5,318,338
Proposed Revenues	\$	1,492,040
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Total Amount to be Raised Through Taxation	\$	3,826,298
<i>Tax Impact of Operating Budget*</i>	\$	3.82

[‡] Using the 2008 Town wide valuation of \$1,000,896,800

As you can see, the reduction in revenues would amount to a possible 23 cent increase in the tax burden to the Town. The Governor has mentioned that he will be providing additional aid to the municipalities in the form of monies received in the State Fiscal Stabilization Fund in the Federal Stimulus Legislation that was recently passed in order for tax payers to see no impact on the tax rate. The problem with this scenario is that the revenues from the Room and Meals Tax and Revenue sharing go to the Town. The monies for the State Fiscal Stabilization Fund have been earmarked for School and Educational purposes. The proposal will be placing the burden of additional school revenues that were earmarked for schools anyway on the Town. In communities that have a dependent school district (there are 9 in the State) the municipality can reduce the amount of funds given to the School in order to achieve the Governor's goal. However, we do not have a dependent school district. In order for us to make up this difference, we will have to either increase the Town portion of the Tax Rate or use Fund Balance. Reducing spending does not impact the proposed budget, because any unexpended funds would be placed in the fund balance and not available until the following year.

In addition, the Governor has proposed keeping the State's contribution to the Police, Fire and Teacher's retirement level from the current year to proposed year, reducing it from 35% of the retirement costs to 30%. I will only address the impact on the municipal budget in this memo. The problem here is that the Governor is not proposing where these additional funds are coming from. Given that did not say that this would impact the members of the system, the increase in costs would impact the employers. This is not a reduction in revenue from the State, but an increase in the employer's contribution. As such we are going to have to ask the Police and Fire Departments to make up these increases in their already tight budgets. They would have to reduce their budgets by a total of \$16,966.

This is just the first significant impact on the local budget if the State Budget is passed as is. There are additional concerns over possible reductions in highway aid due to reductions in revenues from the gas taxes at their current levels. The FY2010 Budget has a revenue estimate of \$80,000 from State Highway Aid. I have been in contact with members of our State Legislative Delegation and my colleagues in Exeter and Stratham to explore setting up a joint meeting. I will keep the Board posted on any developments.

7. Minutes

7.1. Regular Meeting November 19, 2008

Chair Creighton stated that she had located her folder from this meeting and would get her edits out to the other board members by Monday, March 2, 2009.

7.2. Regular Meeting February 11, 2009

Chair Creighton stated that she had sent out edits of the February 11 to the other board members. Selectman Coutu stated that he was unable to access his email, and hadn't been able to review. Selectman Salomon stated that he hadn't had an opportunity to review as well. Chair Creighton stated that the minutes would be addressed at the next Select Board meeting.

8. Adjournment

Motion by Selectman Salomon to adjourn at 8:45 PM. Seconded by Selectman Coutu. Motion carries 3-0.