

HAMPTON BUDGET COMMITTEE
MINUTES
June 19, 2007

Budget Committee Members Present

Mary-Louise Woolsey, Chairman
Michael Plouffe, Vice-Chairman
Rick Griffin, Selectman Representative
Russ Bernstein
Pat Collins (7:30 – 8:00)
Victor DeMarco
Maury Friedman
Dick Hansen
Eileen Latimer
Jack Lessard
Richard Nichols
Michael Pierce
Norman Silberdick

Chairman Woolsey called the meeting to order at 7:00 p.m.

The Pledge of Allegiance was said.

Chairman Woolsey said the Budget Committee traditionally does not meet during the months of July and August. The next meeting will be September 18th at which time the Committee will meet with members of the Hampton School Board.

Chairman Woolsey introduced the members of the Committee.

Approval of Minutes – May 15, 2007

Moved by Mr. Lessard, seconded by Mr. Pierce, to approve the Minutes of May 15, 2007.

Vote: 11 yes, 0 no, 1 abstention (Bernstein). Motion passed.

Approval of Minutes – May 28, 2007

Moved by Mr. Lessard, seconded by Mr. Silberdick, to approve the Minutes of May 28, 2007.

Vote: 9 yes, 0 no, 3 abstentions (Bernstein, Hansen, Latimer). Motion passed.

Chairman Woolsey thanked the Board of Selectmen for sending a revision of their May 28th letter to the Budget Committee noting that the reference should have been to RSA 3216, not RSA 3223.

Chairman Woolsey said that at the May 28th meeting a motion was made to table the motion to go to Superior Court regarding the Committee's access to department heads and another motion was made that the Board of Selectmen be asked to agree to comply with RSA 32:16II and confirm that they have rescinded the policy of not allowing department heads to attend Budget Committee meetings. Mr. Nichols said that he feels this problem is solved and there is no need to go further.

Chairman Woolsey introduced Fred Welch, Town Manager, and Mike Schwotzer, Finance Officer.

Mr. Welch gave a brief overview of his experience. He said this is his 46th year in town government. Chairman Woolsey said that Mr. Welch wrote part of the Municipal Budget Act.

Chairman Woolsey said a major concern of the Committee was debt service.

Mr. Schwotzer discussed the interest rate on the Kings Highway bond. Originally he had added another 1% for an administration fee to the rate of 3.7040%. He was incorrect. The total is 3.7040%. This will save \$71,000 or approximately .03 on the tax rate this year.

Mr. Nichols said that if the supplemental loan agreement is signed by September 30th, the Town can get the 3.35% rate. This could be a saving of almost \$1 million over the 20 years. He asked Mr. Welch if the signing will be done by that date. Mr. Welch replied that he is working to get that done as soon as possible.

Chairman Woolsey asked Mr. Welch about his goal for 2008 to bring the operating budget in beneath a default budget. Mr. Welch said the budget has to be re-analyzed. It is necessary to formulate a budget on the costs incurred by the Town government. He said he would like to get to a zero-based budget, but care must be taken to make sure basic services continue.

Chairman Woolsey said a default budget is not an answer and that the Budget Committee has been looking for economies such as everyone must do at home. The Committee is seeking assurance that the Town accounts for the money it spends.

Chairman Woolsey said what the Committee is looking at is the \$38 million of debt and there is a reluctance on the part of the Committee members to recommend any more bonded indebtedness unless there is some restructuring. About 1/8 of this year's operating budget is devoted to debt service.

Mr. Welch said that the Fire Department needs have to be addressed. He said one of his plans is to provide a bond appropriation request to redo the two fire stations and to roll the Police Station debt into this request. The borrowing limit has almost been reached. Public Works has talked about scaling back on trash collection and it will be less costly for businesses to contract trash collection because their taxes will be lower. Mr. Welch said that options must be looked at and the Town needs to generate cash from those options. The Town needs a fiscal management plan.

Mr. Silberdick said that a difficulty the taxpayers have is that they see only the budget for one year and don't look to the future. He said he would encourage the Town Manager to present the vision of the Town.

Mr. Welch said that the roads and sewer system are real liabilities for the Town. These need to be addressed and the Town needs to stop borrowing and start saving.

Mr. Friedman asked Mr. Welch what his priorities were regarding capital expenditures. Mr. Welch said that the Town has to take care of its buildings, etc. Maintenance must be done on a time schedule so that they can be programmed into the budget. Tax rates won't rise if proper planning is done.

Chairman Woolsey discussed encumbrances. Mr. Welch said there needs to be a PO and a contract if an item is more than \$5,000. The request then needs to be voted on by the Board of Selectmen and then booked. He said he would like to see encumbrances taken care of in a short time.

Ms. Latimer said she like the ideas and plans Mr. Welch has put forth, particularly that maintenance will be looked at.

Mr. Griffin said he felt Mr. Welch was doing a fine job.

Mr. Plouffe said he had heard some good comments at this meeting about the fire stations, maintenance, and he thinks the approach on debt service will be of benefit for everyone in the Town.

Chairman Woolsey discussed revaluation. Last year the Committee suggested to the Board of Selectmen the setting up of a capital reserve fund to accommodate this. She asked Mr. Welch what his thoughts were on this item. Mr. Welch said it is far cheaper to hire someone to do this. The State will not step in if the reval is completed within five years. This could be done in-house if good data was available. It is not.

Mr. Friedman said that the lack of a plan is of concern to him. Mr. Welch said it will take a lot of time to do this. GASB 34, which may take up to three years to implement, needs to be in place in order to accurately plan.

Overtime in the Fire Department was discussed. Mr. Schwotzer said the causes of overtime are basically vacations, sick leave and special functions. He said alternatives to overtime are being evaluated. It is difficult because basically the only alternative is the addition of more firefighters.

Chairman Woolsey mentioned members of the Fire Department who complete degrees in medical training to provide extra services in addition to fire fighting. She asked if these could be limited because of the extra cost. Mr. Welch said the biggest problem is collective bargaining. Collective bargaining must be dealt with in these matters.

Ms. Latimer said that the community is aging and the need for EMTs will be greater in the future. She said she would not like to see any of this type of training eliminated.

Mr. DeMarco asked how the limited amount of fire service and mutual aid is being addressed. Mr. Welch said this is a big issue because call volume is going up in all towns. Mr. DeMarco asked if Mr. Welch would look into the cost of the boat and how often it is used.

Chairman Woolsey thanked Mr. Welch and Mr. Schwotzer for their time. She said she was very impressed with what they had to say.

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Adjournment

There being no further business to come before the Committee, Mr. Friedman **moved**, seconded by Mr. Hansen, that the meeting be adjourned. The motion passed by unanimous vote.

The meeting adjourned at 9:20 p.m.

Respectfully submitted,

Joan Rice

Secretary

Mary-Louise Woolsey, Chairman