

HAMPTON BUDGET COMMITTEE
MINUTES
April 19, 2011

Budget Committee Members Present

Eileen Latimer, Chairman
Mary-Louise Woolsey, Vice-Chairman
Michael Pierce, Selectman Representative
Ginny Bridle, School Board Representative
Pat Collins
Richard Desrosiers
Brian Lapham
Dustin Marzinzik
Mark McFarlin
Sandra Nickerson
Michael Plouffe
Richard Reniere
Brian Warburton

Excused

Peter Trayor

Chairman Latimer called the meeting to order at 7:01 p.m.

The Pledge of Allegiance was said.

Chairman Latimer introduced the members of the Committee.

Approval of Minutes of March 15, 2011

Moved by Ms. Woolsey, seconded by Mr. Lapham to approve the Minutes of March 15, 2011 as amended.

Vote: 10 yes, 0 no, 3 abstentions (Bridle, Marzinzik, Reniere). Motion passed.

Amendments made were as follows:

Page 2 – Mr. Pierce abstained from votes for Chairman and Vice-Chairman.

Page 2, paragraph 9 – Motion was to appoint Brian Lapham as Vice-Chairman.

Page 2, paragraph 10 – Mr. Lapham received one vote.

Chairman Latimer welcomed Sandy Buck and Steve Falzone from the Trustees of the Trust Funds. Mr. Buck then proceeded to give a presentation.

Mr. Buck said the five Trustees are volunteer citizens elected to a 3-year term. They serve in a fiduciary capacity. Mr. Buck went over the Trustee responsibilities. He said the Real Estate Trust Fund recovered very nicely last year. The total amount for which the Trustees are responsible is \$17,154,887. Mr. Buck said any citizen in the Town can create a trust fund for charitable purposes and the Trustees will administer it.

Mr. Buck then discussed the other trust funds including the Library Trust Fund, Cemetery Trust Funds, Campbell Sports Scholarships Trust Fund, and the Winnacunnet and Hampton Special Education Expendable Trust Funds. Mr. Buck explained that the income from the Real Estate Trust Fund is used to offset the tax rate. The income to the Town last year was \$647,412. The funds are divided into 25-45% equities, 35-70% fixed income and 0-5% cash. Mr. Buck discussed the capital reserve funds for roads, the Beach Precinct and DPW.

Mr. Buck said the Trustees just went out to bid for a new Investment Advisor. They received 20 RFP responses. After study, the Trustees asked eight companies back to be interviewed. After interviews and voting, the Trustees selected Mackensen & Company, Inc.

Mr. Pierce asked about borrowing or withdrawing funds in the Trust to finance the new fire stations.

Regarding borrowing, Mr. Buck said yes, however it makes little sense to borrow from the Real Estate Trust fund because the total return achieved by the Fund is generally greater than the cost of borrowing money from other municipal borrowing sources. Further, the borrowing "cost savings" to the Town will reduce the income that the Fund pays over to the Town. The shortfall will have to be made up by increasing the tax rate.

Regarding withdrawal, Mr. Buck said no. Because the Real Estate Trust Fund was created by an act of the legislature, the only entity that has the authority to permit the Town to withdraw money for capital improvements from the Fund is the NH legislature.

Ms. Woolsey commented that the combination of the income from the Real Estate Fund and the completion of payments on the police station could offset the fire station construction.

Mr. Buck said the public can obtain information about the Trust Funds on the Trustees' website, www.hamptontrustfund.org. The public is also welcome at meetings held on the third Monday of the month at 3:00 p.m. in the Selectmen's Meeting Room.

Chairman Latimer thanked Mr. Buck and Mr. Falzone for the fine presentation.

Mr. Pierce presented a document showing the newly revised default budget and format. Chairman Latimer said this information was not received in a timely manner, with most members receiving it late today.

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Mr. Pierce went over the format. He then suggested that the Committee members take the document home and address their questions and concerns to Mike Schwotzer at next month's meeting. It was the consensus of the Committee that clarification needs to be made as to what is happening in specific line items. It should also be readable by anybody. Mr. Lapham said the School District did this correctly and the Town should do it the same way.

Mr. Reniere discussed the 2011 Warrant Articles. He said many people believe there are too many. Discussion followed and it was the consensus of the Committee that some of the warrant articles belong in the operating budget. However there are others that must remain in warrant article form. Also money in a warrant article can only be spent for one purpose. Money in the operating budget can be moved around.

Mr. Warburton said there has been no update on what is happening with drainage, demolition of the old Town Hall, etc. There is also no plan for recycling.

Regarding the mounted patrol, the question was raised as to the true cost of what was approved in the warrant article versus what was raised by the private group. Mr. Pierce will research and get back to the Committee.

Sub-Committee Reports

Administration

No Report.

Education

Ms. Bridle said that after the Town election was held, the School Board sat down with the new administrators of SAU90 and also Dr. Sullivan and Nancy Tuttle of SAU21. Due to the default budget and uncertainties about current pending legislation, they determined that it would be necessary to cut \$823,564 from their budget. There were some very difficult decisions. Eleven positions were eliminated. Two teachers were moved from Marston to Centre, but no teaching positions were touched. Other cuts were made across the budget.

The conversion to SAU90 is in process and going well. Ms. Nickerson asked for the total amount of money associated with the withdrawal. Ms. Bridle said she would research that. Ms. Nickerson said RSA 194:C states that assets must be in a withdrawal plan. It is not stated in the plan. Ms. Nickerson said she would also like to know how many children are attending Hampton schools who do not reside in Hampton. Ms. Nickerson also cautioned the Committee about doing business via email.

Mr. McFarlin asked when a breakdown of the \$823,564 in cuts would be available to the public. Ms. Bridle said it would be available at the May meeting of the School Board.

Public Works

The committee met on April 16th. The committee discussed the focus of efforts to gain relevant information regarding the operations of the DPW-vehicle maintenance, purchasing, staffing and initiation of the new waste/recycling program. A consensus was reached to focus on vehicle maintenance, condition of rolling stock, cost effectiveness of the fleet, as well as what preparations and planning are in place to actually begin the single armed packer transition.

Safety

No report.

Selectman Report

Mr. Pierce said there is a lot of support for the CIP at the Selectman level. Mr. Pierce said he would suggest the Budget Committee appoint a representative to the CIP Committee.

Moved by Ms. Woolsey, seconded by Mr. Plouffe, to appoint Brian Warburton as the Budget Committee's representative to the CIP Committee on a pro tem basis.

Vote: 11 yes, 0 no, 2 abstentions (Pierce, Warburton). Motion passed.

Mr. Pierce said the 18 month cycle will begin January 1, 2012.

Mr. Warburton asked if the machines for credit/debit cards work at the transfer station. Mr. Pierce will research.

Chairman Latimer asked Mr. Pierce to ask the BOS about a number of studies that have been funded. She would like an update as to where they stand. Ms. Woolsey also said she would like to know why the Town is going to Massachusetts for engineering services.

Old Business

There was no Old Business.

New Business

Chairman Latimer said it is important that when any member of this Committee speaks in public as a member of this Committee, that approval be obtained beforehand.

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Moved by Mr. Collins, seconded by Mr. Warburton, to require approval by the Budget Committee for any member to speak publicly as a member of the Budget Committee.

Vote: 12 yes, 0 no, 1 abstention (Lapham). Motion passed.

The next meeting will be held on Tuesday, May 17, 2011, at 7:00 p.m. in the Selectmen's Meeting Room.

Adjournment

There being no further business to come before the Committee, Mr. Warburton **moved**, seconded by Vice-Chairman Woolsey that the meeting be adjourned.

The meeting was adjourned at 9:56 p.m.

Respectfully submitted,

Joan Rice
Secretary

Eileen Latimer, Chairman