

HAMPTON BUDGET COMMITTEE
MINUTES
December 5, 2013

Budget Committee Members Present

Eileen Latimer, Chairman
Richard Reniere, Vice-Chairman
Robert Ladd, Hampton Beach Village District Representative
Pat Collins
Richard Desrosiers
Joe Grzybowski
Timothy Citizen Jones
Sunny Kravitz
Stephen LaBranche
Brian Lapham
Sandra Nickerson

Excused

Philip Bean
Ginny Bridle
Mark McFarlin
David Wood

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

The Pledge of Allegiance was said.

Mr. Lapham asked for a Moment of Silence for the passing of Nelson Mandela.

The Committee made self-introductions

Adoption of Minutes

Moved by Mr. LaBranche, seconded by Mr. Desrosiers, to approve the Minutes of November 19, 2013 as amended.

Vote: 10 yes, 1 no (Jones). Motion passed.

Moved by Mr. Lapham, seconded by Mr. Collins, to approve the Minutes of December 3, 2013 as amended.

Vote: 10 yes, 0 no, 1 abstention (Jones). Motion passed.

Municipal Insurance

Chairman Latimer welcomed Town Manager Fred Welch.

Mr. Welch said the Town has a contract for health insurance that has been signed. The budget will increase by \$10,600 for this line item for a total of \$2,851,500.

Moved by Mr. LaBranche, seconded by Mr. Lapham, to move forward to the Public Hearing the amount of \$3,777,200 for Municipal Insurance.

Mr. Jones said he was concerned about the effects of the Affordable Care Act in the future. Mr. Welch said he could not speak to that because there will be a lot of changes as time goes on. Also, if an employee doesn't have insurance under the Town and goes to the exchange and receives a subsidy, there could be a very large fine to the Town. Chairman Latimer said she, Mr. Jones and Mr. Kravitz went to a workshop and one thing that came out was the tracking. Mr. Welch said everything is in flux and they will keep an eye on the tracking. There will be implementation of the Affordable Care Act in 2014 and it will be a management nightmare.

Vote: 11 yes, 0 no. Motion passed unanimously.

Revenues

Mr. Welch said revenues are always a projection. An Estimate of Revenues has to be filed and it is monitored carefully when the tax rate is set. The revenue number is an estimate of what the Town will have for next year. It will be less than last year because of the insurance payments received this year. This number will be revised as the year progresses. The Town has always exceeded the revenue projection.

Chairman Latimer asked about grants. Mr. Welch said federal and state grants are drying up. Chairman Latimer noted that new properties will be coming in and added to the tax rolls. Mr. Welch said this will add a significant amount of revenue.

Mr. Jones asked about parking lot revenues. Mr. Welch said \$425,000 has been the average, but this can vary considerably depending on the weather.

Mr. Ladd asked if some Town assets could be sold. Mr. Welch said if there is land to be sold it has to be offered back to the original owner first. The entire list of assets is published in the Town Report.

Mr. Ladd asked about using the Trust account. Mr. Welch said they could borrow against it, but interest costs are substantial.

Mr. LaBranche said when revenues and expenses are submitted to the NH DRA in April after the Town of Hampton votes on the Budget, DRA is more interested in expenses than estimated revenues. The MS-4 forms submitted by the Town on September 1 to the DRA that have "more firm" numbers regarding revenue are very important so the tax rate can be set. The DRA does check with the Town of Hampton, the School District and the Village District for any additional revenue updates just prior to setting the actual tax rate (usually in October). Chairman Latimer asked for a copy of the MS-4 that is filed in September.

Chairman Latimer asked about revenue for the Rye sewer. Mr. Welch said Rye pays for everything, but use throughout the year is not known ahead of time.

Mr. Kravitz asked why the bonds could not be paid out of the trust. Mr. Welch replied that the Town needs the investment income from the trust. The Town can borrow cheaper somewhere else.

Moved by Mr. Jones, seconded by Mr. Lapham, to move forward to the Public Hearing the amount of \$6,419,825 for Estimated Revenues.

Vote: 11 yes, 0 no. Motion passed unanimously.

Debt Service

Mr. Jones asked about consolidating some of the bonds. Mr. Welch replied that it is more expensive to do that.

Other

Mr. Jones said he is looking for enough money in this budget to operate the Town legally. Mr. Jones said he is looking to cut things that he feels are not legal.

Ms. Nickerson said she will be out of town for the next meeting and would like to say something about the Conservation Commission issue which has not been resolved. A raise for an employee of 9.25% is incomprehensible when there is a huge need in DPW and Police. Ms. Nickerson commented on Mr. Jones' investigation to see if the way the Town is being run is legal regarding lack of Public Works and Police employees. Ms. Nickerson said this is a safety issue.

The next meeting is scheduled to take place on Tuesday, December 10, 2013, at 7:00 p.m. in the Selectmen's Meeting Room.

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Adjournment

Moved by Mr. LaBranche, seconded by Mr. Ladd, to adjourn the meeting at 8:50 p.m.

Vote: 11 yes, 0 no. Motion passed unanimously.

Respectfully submitted,

Joan Rice
Secretary