

**HAMPTON BUDGET COMMITTEE
MINUTES
May 20, 2014**

Budget Committee Members Present

Eileen Latimer, Chairman

David Wood, Vice Chairman

James Waddell, Selectman Representative

Jerry Znoj, School Board Representative

Robert Ladd, Hampton Beach Village District Representative

Timothy Citizen Jones

Sunny Kravitz

Stephen LaBranche

Brian Lapham

Jim O'Loughlin

Michael Pierce

Michael Plouffe

Richard Reniere

Absent

Pat Collins

Joe Grzybowski

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

The Pledge of Allegiance was said

A Moment of Silence was held in memory of Brentwood Police Officer Stephen Arkell.

Committee members made self-introductions.

Chairman Latimer welcomed Brendan McNamara, Vice Chairman of the Planning Board. She said the Committee had questions about the Planning Board's authority to hire personnel, specifically for the Town Planner position. A letter was sent to the Planning Board asking them to consider going to the RPC for someone part-time to finish out the year. Chairman Latimer said Mr. McNamara had agreed to explain what is going on and give a brief overview.

Mr. McNamara said when it came to the Planning Board's attention that this issue was being questioned, they did some legal work and looked at the RSA's. Mr. McNamara said that as a Planning Board they are able to hire staff. It is not necessary that it be put on the ballot. Mr. McNamara cited the NH Office of Energy and Planning who states that the Planning Board can hire staff to do what it believes is in the public interest. Even though there were some votes in the past against the hiring of a Planner, this does not negate the ability of the Planning Board to do so. The Planner is a necessary position. For example, last week there were 10 business hearings. Some weeks there are more. Hampton is growing and this position is needed. Much smaller towns have a Town Planner.

Mr. Ladd said he was very much in favor of having a Town Planner for many reasons. The work of a Planner could have a great impact on issues like the flood zone problem. New requirements for storm water control have been initiated. In order to follow through with those steps a Town Planner is needed.

Mr. Waddell said the RSA is clear that the Planning Board has authority to hire staff.

Mr. Pierce said the RSA said the Planning Board can hire. However, he said he was concerned because there is a question of taking away the voters rights since they turned down the hiring of a person for this position previously. Mr. Pierce asked why the Board would not hire a professional from the RPC. Mr. McNamara said the RPC does not have anyone available to do that. It would be possible to advertise for a temporary Planner, but this is a profession and not many would want to do that.

Mr. Reniere asked why it was brought up as a warrant article previously if the Planning Board has this authority. Mr. McNamara said he really did not know why that occurred.

Chairman Latimer said the Planning Board has guidelines from the State which say they can hire. That is what must be followed.

Mr. Plouffe said he agreed a Town Planner is needed due to the growth of the Town.

Mr. Wood said there are going to be new regulations regarding sea level and climate change. This points to a definite need for a Town Planner.

Mr. Lapham said he was in favor of hiring a Town Planner.

Mr. Jones said no one has said that a Town Planner is not needed. However, to fund this it is up to the legislative body, i.e., the taxpayers to make this decision. The Constitution trumps all State laws. Mr. Jones said his problem is with the Constitution. The voters said no three times and in his mind that is clear dissent.

Mr. O'Loughlin said in his opinion the need for a Planner is answered and also the mechanism.

Mr. Kravitz said the Planning Board has a budget. If they need a Town Planner they can hire one. There is a big need for a Planner.

Mr. Znoj said the reason it was put on the ballot before might have been transparency or perhaps legal advice was not sought. The voters fund the bottom line, not positions.

Chairman Latimer thanked Mr. McNamara for helping the Committee with his presentation.

Chairman Latimer welcomed Norman Silberdick, Chairman, and Stephen Falzone of the Trustees of the Trust Funds. She said they had been invited to talk about the funds they handle.

Mr. Silberdick said they have three types of funds: Common Trust, Capital Reserve Funds and the Real Estate Trust Fund. At this time the Real Estate Trust Fund is at \$18 million. The objective is to generate income that goes to the Town. There are also library trust funds, cemetery trust funds and a cemetery revenue trust fund that comes from the sale of burial plots.

Mr. Silberdick said money is also set aside for Special Education for Hampton Schools and Winnacunnet High School and also Town roads. These are in short term investments and can be readily liquidated. The bulk of the Trustees activity is devoted to the Real Estate Trust Fund. Five years ago this fund dropped to a low of \$13 million. A new investment advisor, Mackensen & Co., was hired. This firm also handles the bookkeeping for the Trustees. Last year the Real Estate Trust Fund generated \$600,000 that went to the Town to offset the tax rate. Mr. Silberdick said all monies are with National Advisors Trust Co. The Trustees comply with all State laws and go for periodic training.

Mr. Ladd asked if there was any flexibility about the amount of fixed income/cash and equities. Mr. Silberdick said they were flexible. Mr. LaBranche asked if the Trustees have to pay a tax when funds are moved around. Mr. Silberdick replied that they do not.

Mr. Ladd asked if there would be any advantage for the Town to borrow for a short-term loan. Mr. Silberdick said there was not. The Town can borrow for a lower rate somewhere else.

Chairman Latimer thanked Mr. Silberdick and Mr. Falzone for their information.

A break was called at 8:30 p.m.

The meeting reconvened at 8:40 p.m.

Selectman Report

Mr. Waddell said there was nothing to report at this time.

Chairman Latimer asked about the status of the default budget. Mr. Waddell said he will let the Committee know when there is something to report.

HBVD Report

Mr. Ladd said things are going very well in the District. The District has entered into a collaboration with the Music Department at Winnacunnet. A performance will be held on June 3rd at 7:00 p.m. at the Sea Shell featuring the Chamber Singers and the Jazz Band. There is a rain date of June 9th.

School Board Report

Mr. Znoj said SAU 90 will finish with a surplus for some amount. Chairman Latimer said she would like to see where that surplus came from before it goes to other projects.

Other

Mr. Pierce gave an overview of the monthly income/expense reports by comparing March and April of 2013 to March and April 2014. He said the overall spending percentage is about 1.4% higher at the end of April this year compared to April 2013 and the previous three or four years.

Mr. Pierce noted the following highlights:

1. Snowplowing overtime is over budget for the year, which would be expected to be high.
2. Highways and Streets Administration is over budget. The reason is not clear.
3. Another item that is over budget is the Bank Buy Back Program account, which can be explained by the addition of the employees being able to now borrow from their 457 retirement plan monies to buy a house and then pay that loan back with Bank monies. This plan was adopted in 2013 after the budget was already set for 2013 and now because we are using that same budget for 2014, things are being squeezed here. The employee separation account is currently under budget almost enough to offset the Bank Buy Back Program account in the big picture of staying within the bottom line.

Mr. Pierce summarized by saying the Town is running a little over on spending, but if things are carefully managed the Town should be able to make it to the end of the year without pressing the bottom line. Mr. Pierce said to keep in mind that budgets have been tighter the last few years and that will not make this job any easier.

A sub-committee was formed to review the Financials. Members will be Mr. Pierce, Mr. Lapham and Mr. Znoj.

The Budget Committee Guidelines document was discussed. A sub-committee was formed. Members will be Mr. Jones, Mr. LaBranche and Mr. Znoj. Chairman Latimer said this document will be put to a vote at the October meeting.

Approval of Minutes

Moved by Mr. Lapham, seconded by Mr. La Branche, to approve the Minutes of April 15, 2014 as amended.

Vote: 10 yes, 1 no (Jones), 2 abstentions (Kravitz, Plouffe). Motion passed.

Mr. Reniere said there is an invitation from the Hampton Beach Village District and the Hampton Beach Area Commission to the Budget Committee to attend a presentation on the Right to Know Law on Wednesday, May 28, 2014. This will be held in the Selectmen's Meeting Room.

Chairman Latimer discussed the Budget Workshop. There is room in the budget to send three committee members. Mr. Wood, Mr. O'Loughlin and Mr. LaBranche will attend.

Chairman Latimer asked if members wanted to have a June meeting. Mr. Jones suggested having the NHMA give an informational presentation. The consensus of the Committee was that this would be valuable. Chairman Latimer will ask them for a spot in their schedule.

The next meeting is tentatively scheduled for Tuesday, June 17, 2014 at 7:00 p.m. in the Selectmen's Meeting Room.

Adjournment

Moved by Mr. LaBranche, seconded by Mr. Kravitz, to adjourn the meeting at 9:50 p.m.

Vote: 13 yes, 0 no. Motion passed unanimously.

Respectfully submitted,

Joan Rice
Secretary