

**HAMPTON BUDGET COMMITTEE  
MINUTES  
December 11, 2014**

**Budget Committee Members Present**

Eileen Latimer, Chairman  
Michael Plouffe, Vice-Chairman  
James Waddell, Selectman Representative  
Jerry Znoj, School Board Representative  
Glenn Farrell  
Timothy Citizen Jones  
Sunny Kravitz  
Stephen LaBranche  
Brian Lapham  
Jim O'Loughlin  
Michael Pierce  
Richard Reniere  
David Wood

**Excused**

Joe Grzybowski  
Robert Ladd

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

The Pledge of Allegiance was said.

Members of the Committee made self-introductions.

Chairman Latimer said an issue had come up that needs to be discussed. She welcomed Norman Silberdick, Chairman of the Trustees of the Trust Funds, and Mark Gearreald, Town Counsel.

Mr. Silberdick said that in the years 2011-2014 the fees paid to the Trustees' Investment Advisor, Mackensen & Company, were .1% of the balance of the funds. Everything was charged to the Real Estate Trust Fund. It has come to light that this was an error and the fees should have been allocated to the common trust funds and the capital reserve funds, i.e., the Town, SAU 90, SAU21, and the Hampton Beach Village District. These charges need to be in the budget.

HB297 has recently been passed and allows the investment advisor's fees to come from the common trust funds. The Trustees were in error and charged the Real Estate Trust fund \$4,062 for the years 2011-14. Once this was understood, Mackensen & Company reimbursed the Real Estate Trust Fund for that amount and they will not go back to the other boards for reimbursement. The Trustees felt it was easier and less cumbersome to do it in this manner. Thus, the issue has been resolved for 2011-14.

This has been reviewed with the Charitable Trust in Concord. Going forward, there will be a warrant article which asks the voters to approve the fees being taken from the common trust funds. However, if the warrant article fails these fees need to be in the appropriate budgets.

Mr. Silberdick said Mackensen & Company has been extremely competent and cost effective. Mr. Silberdick is asking that the appropriate budgets be increased in case the warrant article fails.

Mr. Pierce said both the budget and the warrant article could pass and he feels this would be double dipping. Mr. Znoj suggested saying that if the budget passes the warrant article is null and void. Mr. Silberdick said he would like to think the warrant article will pass because it benefits the Town.

Attorney Gearreald said he would suggest that the approach to be taken should be informing the voters and saying if the warrant article passes, the amounts in the budget would not be spent. Mr. LaBranche asked if the Village District would need a warrant article. Mr. Silberdick said to just put \$50 in the budget. Regarding the Town, Attorney Gearreald said if the warrant article does not pass, the fee will be raised by taxation. If it passes, it will be taken out of the trust funds. Mr. Jones said he felt this should be placed in the budget and there should not be a warrant article.

**Moved** by Mr. Waddell, seconded by Mr. Farrell, that the Town should add \$1,500 for their portion of fees for the Investment Advisor of the Trustees of the Trust Funds.

**Amendment made** by Mr. Pierce, seconded by Mr. O'Loughlin, to add that this will be contingent on the warrant article produced by the Board of Selectmen allowing fees to come from the common trust funds.

**Vote:** 9 yes, 3 no (Jones, Plouffe, Reniere), 1 abstention (Kravitz).

Chairman Latimer asked for a vote on the amended motion.

**Vote:** 10 yes, 3 no (Jones, Plouffe, Reniere). Motion passed.

## REVENUES

**Moved** by Mr. Waddell, seconded by Mr. Plouffe, to forward to the Public Hearing the amount of \$6,867,196 for Revenues.

Ms. Pulliam said there have been increases in parking lot and motor vehicle revenues. Revenues in 2015 are estimated to exceed revenues in 2014 by \$447,000.

There was discussion about the possibility of raising fees. Chairman Latimer said impact fees need to be revisited. She said it is an untapped resource for which the voters voted. There are two parts, town and schools. The schools have been utilizing these fees. Mr. Welch said the Planning Board makes the decisions on impact fees and does not feel the Town will ever benefit, only the schools.

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

A break was taken at 8:45 p.m.

The meeting reconvened at 9:00 p.m.

#### PROJECTED YEAR END RESERVES

Chairman Latimer asked how it is looking for surplus at the end of the year. Ms. Pulliam replied that it looks like approximately \$475,000.

#### LEGAL

Chairman Latimer welcomed Mark Gearreald, Town Counsel.

**Moved** by Mr. Waddell, seconded by Mr. Plouffe, to move forward to the Public Hearing the amount of \$186,364 for Legal.

Mr. Znoj said he would be in favor of restoring the wages and benefits amounts of Wanda Robertson. He said he thinks this department cannot be managed by one person.

Mr. Reniere asked Attorney Gearreald if he was comfortable with this budget. Attorney Gearreald replied that he was. Mr. Pierce asked how much it would cost to replace Ms. Robertson. Attorney Gearreald said much more than she was being paid.

Mr. Jones said for a number of years everyone was told that the Town would save money by having two attorneys. Now it is being said that only one attorney is needed. Attorney Gearreald said there will still be two in-house people, one being Jamie Sullivan as the Assistant Town Manager.

**Amendment made** by Mr. Znoj, seconded by Mr. Pierce, to restore \$60,000 (Ms. Robertson's salary) and \$35,000 (benefits) to the Legal budget.

Attorney Gearreald said Ms. Robertson reviewed contracts and invitations to bid. Now a lot of that is being done by the Town Manager's Assistant. There is also a part-time person

built in to do clerical work. At the moment the caseload is such that the department will be able to cover it. Attorney Gearreald said that he could also go back to the Board of Selectmen to ask for anything needed. Chairman Latimer said she could see where some things have decreased. She said she is not in favor of adding a second attorney.

Mr. Waddell said things change and circumstances change. Mr. Waddell said a statement had been made tonight that the attorney was unable to speak freely because he works for the Selectmen and the Town Manager. Mr. Waddell said he takes offense for that statement personally and feels the person stating that owes an apology to him and the rest of the Board of Selectmen.

Chairman Latimer asked for a vote on the amendment.

**Vote:** 3 yes, 10 no (Kravitz, Jones, LaBranche, Lapham, Latimer, O'Loughlin, Plouffe, Reniere, Waddell, Wood). Amendment failed.

Chairman Latimer asked for a vote on the main motion.

**Vote:** 9 yes, 4 no (Farrell, Jones, Pierce, Znoj). Motion passed.

#### TOWN MANAGER

Chairman Latimer welcomed Fred Welch, Town Manager

**Moved** by Mr. Waddell, seconded by Mr. Plouffe, to move forward to the Public Hearing the amount of \$252,983 for Town Manager.

Mr. Waddell said he supports this budget. Mr. Farrell said he felt the secretary's wages should be reduced due to much shorter meetings.

Mr. Jones said when the concept of an Assistant Town Manager was brought out, a savings of \$20,000 was reported. Ms. Pulliam has done research on this and there is actually an added cost of \$3,623.

Mr. Welch said in short he cannot work 70-80 hours a week. The Board of Selectmen looked at how that could be resolved. Mr. Welch said he approved their proposal. Mr. Welch said having an Assistant Town Manager frees him up to do what he should be doing. Jamie Sullivan was retiring as Police Chief and was the suggested individual to fill that position. This was a decision made by the Board of Selectmen.

Mr. Jones said he was concerned about the process. There is a contract with Mr. Sullivan and this imposes an expense in future years for which there is no appropriation and this

could be illegal. Mr. Welch said if it is in fact illegal for the Board of Selectmen to sign a contract then his position is illegal as well as many others. Mr. Welch said under RSA37 a Town Manager is authorized to sign a contract and the BOS are allowed to do this by statutory law.

Mr. Znoj said he still could not endorse the salary line. Mr. Wood said he was in support of the Assistant Town Manager position. However, the reasons should have been communicated more clearly.

Chairman Latimer called for a vote on the main motion.

**Vote:** 10 yes, 2 no (Pierce, Znoj), 1 abstention (Jones). Motion passed.

**Adjournment**

There being no further business, the meeting was adjourned at 10:29 p.m.

Respectfully submitted,

Joan Rice  
Secretary