

# Town of Hampton



## TOWN OF HAMPTON BOARD OF SELECTMEN MINUTES OCTOBER 6, 2008

PRESENT: William Lally, Chairman  
Richard Griffin, Vice Chairman  
Richard Nichols  
Richard Bateman  
Frederick Welch, Town Manager

REGRETS: James Workman

Chairman Lally called the meeting to order at 7:00 PM

### SALUTE TO THE FLAG

Chairman Lally introduced those in attendance.

### I. Public Comment Period

Mr. Art Gopalen, 21 Mill Lane, sees that on today's agenda there are many local political candidates present. He would like to talk about the \$600,000 bill, he believes that about two months ago he was told that if HB 1645 passed we would only have to pay \$22,000 and now it is up to \$600,000. He would like to know what these candidates are going to do about this problem. The second point he would like to make is that when public officials sign off on a document he would like to see them held accountable under the law like private sector CEO's. The third point is why do we not scrap the retirement plan for new employees and offer a plan similar to a 401K.

### II. Announcements and Community Calendar

Mr. Lally requested a moment of silence in honor of Elizabeth Webb who passed on October 1, 2008. Mrs. Webb was the chairperson of the Shade Tree Commission and was very active at the James House. Mrs. Webb will be very much missed by this community.

### III. Appointments

#### 1. Recreation & Parks Director

Dyana Martin, Director. Ms Martin discussed the following topics: Park maintenance, Eagle project, tennis courts, parks staff is gone except one employee, volleyball net coming down, replacement parts ordered for playgrounds, ordered stuff for

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lifeguards for next year, parking lots still running for concerts, parking lots thus far short about \$16,000, shed at Church Street Lot will come down next week, Parking Lot staff did a great job keeping lots clean, check website for the many programs, Holiday Tree Lighting on Dec 5<sup>th</sup>, holiday lights spectacular contest, Halloween activities, flag football, apple fest, trip to Ireland, budgets complete, ski and ride program and K-2 sports programs.

Questions from the Board:

Mr. Griffin asked if the Ireland trip is sold out. Mrs. Martin explained that the trip has already occurred but there are two other trips coming up one called Western Wonders to Fresno and Las Vegas in April and the second trip is to Paris and Germany next November.

Mr. Lally explained that there are 6 or 7 shows left at the Casino. Mr. Lally questioned how much the lot would make if it were full. Mrs. Martin replied about \$500.

2. Candidates for House Seats

Mr. Lally explained that a couple of months ago Mr. Nichols thought it would be a good idea to have the candidates in to discuss issues that face the residents of Hampton. Since HB 1645 seems to be one of the biggest issues at this time, the Board has asked Mr. Schwotzer in to help explain the bill.

Mr. Schwotzer presented a slide show for the residents showing a breakdown of the cost to the Town if an employee not covered by a contract was to retire. Mr. Lally pointed out that this is an actual employee who the Town believes will turn in retirement papers early next year. Mr. Schwotzer showed how he calculated the retiree's pension and the pension amount was \$72,177. Mr. Schwotzer went on to explain the calculation used to come up with the spike charge, the portion the Town would be responsible for, which equals \$650,203. Mr. Schwotzer has contacted the retirement system to find out how and when this payment would be due from the Town. It was explained to him that the bill reads it is an assessment and it would be payable within 45 days at which time interest would begin to accrue. Mr. Schwotzer then went on to show the law as he feels it was intended. When calculated this way the Town would not owe anything to the State. Mr. Schwotzer went on to say that both the employee and the Town have been paying into the retirement system on behalf of the employee. It was the responsibility of the State to invest the money properly and they did not. That is why the retirement system is now going to the Town's for all this money.

Mr. Nichols stated that he agreed with Mr. Schwotzer. He feels that the problem lies in the fact that the bill is using the average final compensation and not the actual cost of the pension. He believes that this is a mistake. He spoke with John Reagan a representative from Deerfield over the weekend. He then went on to read an email from Representative John Reagan who originally proposed the bill. Mr. Nichols would like to see the representatives get this corrected.

Mr. Lally requested the candidates to introduce themselves.

Nancy F. Stiles - Republican - 2 terms  
Christopher "Chris" F. Nevins - Republican - new rep, has served 8 months

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Susan R. Kepner	- Democrat – 29 years in Hampton, 1 <sup>st</sup> term
Russell Bridle	- Republican – 3 terms
Robert “Renny” Cushing	- Democrat – former rep
Michael E. Pierce	- Democrat – Hampton resident for 40 years
Kenneth Sheffert	- Republican – new rep, resident of Hampton since 1970
Dennis Kepner	- Democrat – resident of Hampton since 1978
Jane B. Gallaher	- Democrat – not present
Raymond Murphy	- Republican – new rep, resident of Hampton for 3 years

Discussion between the candidates and the Board:

Mr. Nevins discussed that the concerns with House Bill (HB) 1645 are real but the numbers presented are not going to happen. He explained that back in 2000-2001, the stock market dropped and the system had to tap into principal to pay retirees. He spoke of the medical subsidy and COLA's that the retirees receive. It appears to be clear to everyone that there is an error in the bill and it will be corrected. He feels confident that the Town will not be on the hook for the \$650,000.

Mr. Nichols feels that things fell out of the bill when it went from the House to the Senate and politics played a role in these changes. He is also concerned with the fact that the members of the Board of Trustees of the pension are mostly employees. There are 13 members on that Board; 8 of which are employees.

Mr. Griffin thanked Mr. Schwotzer for keeping this Board informed. He agrees with many of the candidates that the pension calculation should be on the base salary and not overtime. It is nice to see all the representatives present.

Mr. Bateman asked the number of representatives and was told 400. Mr. Bateman also asked how fast this is going to be fixed and if we need to be prepared to pay this \$650,000 while waiting.

Mr. Nevins cannot speak for all the members of the House but everyone knows that this needs to be fixed and he is pretty confident that the Town is not going to be forced to pay the \$650,000.

Nancy Stiles addressed Mr. Bateman's concerns about the timing of this correction to the bill and budgeting timeline. She does feel that since many Town's will be in this same situation that it will be put on the fast track in January. In regards to the 400 members voting on this correction she must confess that she will not be voting on this since it directly affects her pension. Therefore, we will only be getting 3 votes from Hampton.

Mr. Nichols felt that we are probably best to leave this item in the budget for the time being and remove it at the Deliberative Session. He asked Mr. Welch's opinion on how to handle this budget item. Mr. Welch felt that at this time it would probably be best to put this in as a warrant article.

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Robert "Renny" Cushing questioned whether this would be figured into the default budget. The answer was yes. Definitely sees this bill as a way of the State passing these expenses down to the local taxpayers.

Dennis Kepner wanted to let the Board know that Senator Clark has stated that this will be issue number one.

Michael Pierce also believes that quick action will be taken in January. This would allow the Town to make any corrections at the Deliberative Session. He would suggest that the item be left in the budget and not put on as a Warrant Article. He also agrees with other candidates that pension calculation needs to be changed.

Mr. Nichols also asked if any of the candidates would like to discuss their thoughts on Donor Town's.

Nancy Stiles explained the 9 components of the costing bill itself. She also explained that In SB 539 it states that if a Town collects more than what is needed the excess would go to the Department of Revenue. Mr. Lally confirmed that this change would not occur until 2011. Nancy Stiles stated that the only way any of this is going to change is if the wording is corrected. She feels that we will see another constitutional amendment coming forward.

Mr. Griffin hopes that all the candidates understand how important this Donor Town issue is to the Town. He also expressed that the Board is doing everything that they can to keep the taxes down and the last thing that we need is more mandates from the State.

Robert "Renny" Cushing feels sympathy for the Board and the School Board since they are caught in this conflict of Donor Towns. He believes that it is important for the State to step up.

Mr. Bateman wanted to make sure that everyone understood that social security is not a standalone retirement plan.

Susan Kepner explained another project is in the budget for the Sea Wall.

Mr. Nevins wanted to go back to education for a minute and let everyone know that if the bill continues without change the cost will be \$1 billion to the State. This calculates to about a \$1 million increase.

Mr. Lally made it clear that the numbers that Mr. Schwotzer presented was for only one employee and several employees could retire putting the Town on the hook for several millions of dollars. Mr. Lally thanked the candidates and wished them luck. Mr. Lally also informed the public that there would be a candidate's night on Oct 22<sup>nd</sup>.

Mr. Bateman applauded Fred, Mike and Mr. Nichols for grappling a hold of this issue. Mr. Bateman also complimented the unions that stepped forward and made contracts with the Town.

#### IV. Budget Reviews

1. Recreation & Parks not a lot of changes. Did give part time employees a 3% rise since they have not had one in three years. The intern position was removed. Utilities are the only

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real increase. Parking Administration the only real change is 3% raise that would be given to returning employees.

Questions from the Board:

Mr. Griffin asked Mr. Schwotzer with the fuel cost dropping would that help with the increase in the budget. Mr. Schwotzer did not feel that fuel cost would drop below \$3.

Mr. Bateman asked if the 3% raise for the parking lot employees would help to keep the staff. Mrs. Martin felt that it would.

2. Tax Collector – The July 2008 property taxes are 96% collected. Complimented the computer technician for keeping the computer systems up and running. Also, greatly appreciates having the legal counsel available.
3. Assessing – Budget down 2.4% due to the reclassification of the Assessors wages from full time to part time.

Questions from the Board:

Mr. Nichols asked about the increase in data processing. This increase has to do with the Vision Software internet access.

4. Supervisors of the Checklist – discussed last week  
Voter Registration
5. Moderator- discussed last week
6. Election Administration – discussed last week
7. Cemeteries – No representatives – the only increase is in energy cost
8. Trustees of Trust Funds – same budget as last year.

Questions from the Board:

Mr. Welch pointed out that the Recycling line had been added on this page.

9. Heritage Commission - level
10. Planning Board  
Office of Planning– an increase of about 4% that is mostly reflected in the Planning Board Secretary salary.

Questions from the Board:

Mr. Nichols wondered why there are wages in Planning and wages in Conservation section for the conservation coordinator. Mr. Schwotzer explained that Conservation Commission is going to be asking for the part time position to be made full time. Mr. Nichols wanted to make sure that everyone understands that the numbers in the budget only reflects a partial year. Therefore, individuals need to realize by changing this position from part time to full time there will be a larger increase for 2010.

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11. Conservation Commission – Moved to October 13, 2008
12. Zoning Board – no real changes
13. Department of Public Works

Mr. Price thanked Mrs. McGinnis for all her hard work.

Highways, Streets, Bridges & Lighting – Part time wages up by \$20,000 because Mr. Price plans to bring the lawn mowing back in house. Drug and alcohol screening is up by \$3,200. Increased energy costs just like other departments. New equipment increase is for a software program for road maintenance. Paving and Reconstruction the \$100,000 will be to cover cost for a list of improvements that will be derived in the spring of 2009. Increase in Drainage Construction is to connect with the road construction.

Municipal Sanitation – Wages lower due to the fact that we have some new employees. The tipping fees have gone up by 9.5%. Chemicals have gone sky high. Solid Waste Collection salaries down a little due to new hires. Maintenance of the Landfill up due to the mowing cost. Transfer Station overtime up due to a typographical error that we have been trying to correct over time. Replacement Equipment of \$70,000 is for new compactors. Treatment Plant is up for routine maintenance and repairs.

Questions from the Board:

Mr. Nichols asked why the wages were at \$20,000 for a part time employee for lawn mowing when this year only \$15,000 had been spent on the mowing contract. Mrs. McGinnis explained that they had already been told that the vendor who is currently doing the lawn mowing would be increasing the cost for next year. Mr. Welch went on to explain that when the bids came in the next lowest bid was around \$25,000.

Mr. Nichols questioned the drainage line of \$120,000 and how we have only spent \$30,000 so far this year. Mr. Price explained that these are August numbers and we do expect to spend the amount budgeted.

Mr. Nichols asked about the cost of asphalt. Mr. Price expects a large increase in asphalt. The contracts for this year have been honored by the current vendors for this year. Is there any reason to believe that since oil has dropped that the increase in asphalt will also fall? Mr. Welch explained that the DOT has negotiated an escalator/de-escalator clause.

Mr. Nichols pointed out that the cost of chemicals is doubling.

Mr. Nichols questioned why overtime at the Transfer Station has increased some much since 2003. Mrs. McGinnis will get back to Mr. Nichols with an answer.

Mr. Lally asked about whether we still have many complaints since we do not take cash at the Transfer Station. Mr. Welch feels that once the cards were issued things quieted down.

14. Finance Department

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Financial Administration – Change in salaries is for Mr. Schwotzer’s 3% increase. There was also the shift of the wages of the Administrative Assistant to the Town Manager’s budget.

Personnel Administration – The largest impact here is in Employee Separation cost. Need some guidance from the Board as to how they would like to handle the budgeting of this number. Mr. Schwotzer presented the Board with an analysis of the liability of accrued balances, buyback program and employee separation cost. You will see a change in retirement due to a rate change in July.

Municipal Insurance – General liability up by 8%. Health Insurance used an 8% increase. Workers Comp is going up 9%. Overall increase is ½%.

Management Information Systems – The only real change is the new position for an assistant. Mr. Schwotzer spoke very highly of Mr. Paquette but he needs help. Mr. Welch explained to the Board that he has gone to the outside and asked if something was to happen to Mr. Paquette would they be able to get the Town up and running. The answer was “no” it would take a significant amount of time since the system is very complicated.

Human Resources - same

Questions from the Board:

Mr. Nichols asked about the audit cost. Mr. Schwotzer explained that we went out for bid last year.

Mr. Lally questioned whether or not we have a list of all the employees who have 20 years of service. Mr. Schwotzer explained that yes the list does exist and includes about 19 or so employees.

Mr. Lally feels that since we have such a large number of employees eligible to retire that we should not push the employee separation cost number back too much.

Mr. Bateman pointed out that due to contracts and state legislature changes there is always a chance for a rush for the door.

Mr. Nichols questioned how many of the employees who do retire from the Town have other jobs ready on the side.

Mr. Welch explained that you are seeing people retiring from MA and coming to NH to work and vice versa.

Mr. Nichols questioned when we expect to get the health insurance rates. Mr. Schwotzer hoped to have them by the end of October.

Mr. Nichols questioned whether or not the Police Department still maintains their own computers. The answer was yes. Mr. Nichols agrees that a person might be needed to help with the computer systems. However, he would maybe suggest a part time position so as to not incur the additional cost that come with a full time position.

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15. General Governments Buildings – The change here is in building maintenance, which reflects a 20% increase.

Board Discussion.

Mr. Nichols would like to propose that the Board instruct the Manager to develop a list of \$515,000 in spending reductions to the operating budget and to have that by the next meeting. This figure represents a 2% reduction. He would like the information available by Friday so they could review it over the weekend. Areas worth consideration would be overtime, Operations Manager position, fuel cost, combine police and fire dispatch.

Mr. Lally tends to agree with Mr. Nichols in regards to the budget reduction request.

Mr. Griffin also agrees so there is a consensus.

Mr. Bateman would like to see if Mr. Welch could go through and remove some items, but does not feel there is a need to but a dollar value on the reduction.

Mr. Lally verified with Mr. Welch that a vote is not needed just a consensus. Since there is only a need for a consensus and there is one, Mr. Welch will put the list together for the Board.

V. Minutes – September 29, 2008

Page One – Roman numeral II. Public Hearings; Second paragraph, change the word “since” to “before”.

Page four – Roman numeral V. Appointments; Item # 2. Questions from the Board; change the word “judgment” to “policy authority”.

Mr. Bateman MOTIONED to accept of the minutes of September 29, 2008 as amended. Mr. Nichols SECONDED.

VOTE: 4-0-0

VI. Old Business

1. Town Manager’s Report

The Board agreed that they would like to give the cast iron stanchions to the Historical Society.

Mr. Welch was given permission by the Board to attend the perambulation with Seabrook tomorrow morning at 10 AM.

Mr. Welch also provided the Board with the list of warrant articles prioritized asked they requested.

Questions from the Board:

Mr. Nichols wanted to know if the meeting with Mr. Higgins on the 20<sup>th</sup> was confirmed. Mr. Welch explained that Mr. Higgins had been out of town and he would follow up with him and let the Board know. In addition, has it been confirmed that the Senate candidates will be present on Monday? Mr. Welch believes that they are going to be here.

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Mr. Lally discussed having the agenda on the website on Friday afternoon. Mr. Welch said that yes it would be posted from now on even if it needed to be posted as a draft.

VII. New Business. None

VIII. Consent Agenda

1. Banner/ Sign License "Craft Fair" at the North and South Entrances to Town
2. Variance from the patching standards on Mill Road for 1300'
3. Re-issue stickers and discontinuance swipe card system.

Mr. Griffin MOTIONED to move the consent agenda. Mr. Bateman SECONDED.

VOTE: 4-0-0

IX. Closing Comments. None

X. Adjournment

Mr. Bateman MOTIONED to adjourn. Mr. Nichols SECONDED.

VOTE: 4-0-0

Meeting adjourned at 10:26 PM.

  
Chairman