

HAMPTON BUDGET COMMITTEE
MINUTES
May 16, 2006

Budget Committee Members Present

Mary-Louise Woolsey, Chairman
Michael Plouffe, Vice-Chairman
William Lally, Selectman Representative
Denise Richter, School Board Representative
Russ Bernstein
Pat Collins (7:45 p.m.)
Maury Friedman
Dick Hansen
Jack Lessard
Richard Nichols
Michael Pierce
Norman Silberdick

Excused

Eileen Latimer

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

The Pledge of Allegiance was said.

Chairman Woolsey introduced the members of the Committee. She welcomed Denise Richter who was filling in for Rosemary Lamers as the School Board Representative.

Approval of Minutes – April 18, 2006

Moved by Mr. Lessard,, seconded by Mr. Pierce, to approve the Minutes of April 18, 2006, as amended.

Changes made were as follows:

1. Page 2. 4th paragraph. Mr. Friedman said he did not ask about high utility costs for the Police and Fire Departments. He was inquiring why the Police Department was so much higher than the Fire Department.
2. Page 5, 2nd paragraph. It should be Mayor Steve Marchand, not City Manager.

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

Chairman Woolsey introduced Assessor Robert Estey. Mr. Estey said that he had been the Assessor since 1989. He said the assessing function is a critical part of how the Town is operated. This function ensures fair taxation for all Town residents.

Chairman Woolsey asked if by law it is necessary to do a complete revaluation every five years. Mr. Estey replied that it is done at least every five years.

Mr. Estey passed out copies of Title V, Taxation, Chapter 75, Appraisal of Taxable Property. Mr. Estey said the State said something had to be done with the assessing process. Because property taxes are used as a means of funding education, the State originally said revaluation should be done every year, but this was largely ignored. As a result of the State education tax, the Department of Revenue was told they had to fix this problem. They then rewrote this statute (75:8-a) and said that assessments would be made at least every fifth year.

Mr. Estey said in towns with a population over 10,000, you can't do an updated revaluation away from the five-year cycle unless there are public hearings and the Selectmen vote to do so. Mr. Estey discussed some of the criteria that must be met whenever a five-year revaluation is done.

Mr. Estey said that the Assessor and Selectmen shall adjust assessments to reflect changes so that all assessments are reasonably proportional within that Town.

Mr. Nichols asked what would occur if someone put a \$100,000 addition on a house that had been assessed at \$300,000. Mr. Estey said that he would increase the assessed value of the property. The Assessor looks at physical changes, changes in ownership, zoning, boundary line adjustments, etc. At this time they are looking at 1,000 properties per year.

Chairman Woolsey asked if neighborhoods as well as individual homes were looked at. Mr. Estey replied that if there is a neighborhood that is extremely out of line, he will bring it back to the average.

Mr. Silberdick asked how taxes on a property could double in the last couple of years. Mr. Estey said that assessments are value driven. If you are in an area with high desirability, taxes can increase at a faster rate. More people want the "ranch" so it appreciates faster than the \$600,000 house no one can afford. The Assessor's Office does their best to make it fair based on where the market is going.

Mr. Nichols asked how change of ownership of a property would come into play. Mr. Estey said they note the change in ownership, but value does not change.

Mr. Estey explained the tax rate calculation. He said two different rates are used, one for State education tax and another for all other taxes. He said we send money to the State for education tax and the State sends money back to the Town. It is usually a wash.

Mr. Friedman asked if the Town attempts to forecast valuation. Mr. Estey said it does not.

Mr. Estey said that the Department of Revenue will check 40 homes and do a comparison.

Mr. Estey discussed the advantages of having an in-house data collector. An in-house collector could probably do 20% of the Town every year.

Mr. Nichols asked if there was any way this person could be shared with another town. Mr. Estey said he would not recommend doing that.

Mr. Friedman asked why the estimation of benefits for this position is 80%. Mr. Estey replied that when you are dealing with small salaries, the percentage of benefits will always be higher.

Mr. Friedman asked what impact the infrastructure at the beach has. Mr. Estey said the fact that there is an infrastructure will raise the value. The biggest change in value will happen with zoning changes.

Chairman Woolsey thanked Mr. Estey for his fine presentation.

Chairman Woolsey said she had been discussing educational opportunities with Paula Woods of the Seabrook Budget Committee. Ms. Woods talked with Barbara Reid about coming to Seabrook. Ms. Reid suggested that perhaps other towns could have a joint meeting. Ms. Reid will discuss budget responsibilities and will bring with her, from the NHMA, an attorney who will discuss the Right to Know Law. This will probably be scheduled in the fall.

Selectman Report

Mr. Lally said he feels the Town is in good shape. He said the Board of Selectmen will be looking at early TAN borrowing. It is anticipated that there will be about \$5,000 a week in tax revenues after bills go out.

Chairman Woolsey said that the public does not like to hear about the Board of Selectmen "finding money". Where are we getting the money to move the modulars?

She said the Town Manager said the money can be found under “unemployment”. Chairman Woolsey asked Ms. Duhamel what the amount of money was. Ms. Duhamel said it was \$74,000. Chairman Woolsey said she was concerned about hanging on to money in violation of the statute 32:7. Chairman Woolsey said she would like to find out where that \$74,000 came from. It may be legitimate, but there is a need to know. Mr. Nichols said he didn’t believe it is encumbered money from last year. Chairman Woolsey asked Mr. Lally to get an answer for the Committee on this issue.

School Board Report

Ms. Richter said that Ms. Lamers will present a report on computer technology at the June meeting. She reminded the Committee and public that there will be a Celebration of Learning on May 18 at 6:00 p.m. at Marston School and the Hampton Music Fest is May 28.

Old Business

The appointment of a representative to the Recreation Advisory Board was discussed. It was noted that Ms. Latimer had expressed interest in this position.

Moved by Mr. Pierce, seconded by Mr. Lessard, to appoint Eileen Latimer as the Budget Committee’s representative to the Recreation Advisory Board.

Vote: 12 yes, 0 no. Motion passed unanimously.

Chairman Woolsey discussed the Municipal Budget Law. She strongly recommended that members of the Committee access the NH Statutes on-line at www.gencourt.state.nh.us/rsa. Mr. Nichols suggested accessing NH State Library on Google.

Chairman Woolsey said she had called Rusty Bridle and offered him an appointment to fill the member at large vacancy until the election in 2007. He said he would accept the appointment. He has had some recent surgery so may not make the June meeting, but will definitely attend in September.

Mr. Pierce suggested everyone look at the Municipal Retirement Fund. The Committee has no control over this, but should be informed.

Mr. Nichols said he would like to summarize the issue of year-end spending. The fact that the Town had money left over at the end of the year raised questions, but the amounts were not huge in the overall scheme of things. However, questions are important and the Committee should continue to ask them.

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New Business

It was noted that in the 2006 budget the Health Insurance account is 26% higher than what was actually spent in 2005.

Moved by Mr. Nichols, seconded by Mr. Bernstein, that Chairman Woolsey write a letter to the Board of Selectmen asking why the Health Insurance account is 26% higher than what was actually spent in 2005.

Vote: 11 yes, 0 no, 1 abstention (Richter). Motion passed.

Mr. Silberdick said he would like to see spending month by month. Chairman Woolsey said the Ad Hoc Committee is looking into this.

Mr. Friedman said he felt the departments in the Town need to tell us what they are doing to run more efficiently.

Chairman Woolsey said the next meeting will be Tuesday, June 20, 2006 at 7:00 p.m. in the Selectmen's Meeting Room at which time there will be a presentation by the Board of Selectmen.

Adjournment

There being no further business to come before the Committee, Mr. Bernstein **moved**, seconded by Mr. Silberdick, that the meeting be adjourned. The motion passed by unanimous vote.

The meeting adjourned at 9:20 p.m.

Respectfully submitted,

Joan Rice
Secretary

Mary-Louise Woolsey, Chairman

