

HAMPTON BUDGET COMMITTEE
MINUTES
December 9, 2010

Budget Committee Members Present

Larry, Stuker, Chairman
Mary-Louise Woolsey, Vice-Chairman
Richard Bateman, Selectman Representative
Maureen O'Leary, School Board Representative
June White, Precinct Representative
Dick Hansen
Brian Lapham
Eileen Latimer
Jack Lessard
Mark McFarlin
Michael Pierce
Michael Plouffe
Richard Reniere
Peter Traynor

Excused

Pat Collins

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

The Pledge of Allegiance was said.

Chairman Stuker introduced the members of the Board.

Consideration of Estimated Revenues for 2011

Chairman Stuker asked for a motion on Estimated Revenues.

Moved by Ms. Woolsey, seconded by Mr. Plouffe, to approve the amount of \$5,926,570 for Estimated Revenues for 2011.

Mike Schwotzer, Finance Director, discussed several minor changes to the estimated revenues. He said they have minimal affect on the tax rate.

Mr. Lapham asked about vehicle registration revenue. Mr. Schwotzer said they are seeing more new cars being registered which brings in more revenue.

Vote: 14 yes, 0 no. Motion passed unanimously.

Consideration of Operating Budget for 2011

Moved by Ms. Woolsey, seconded by Ms. Latimer, to recess without confirming a final figure for the 2011 operating budget subject to the call of the Chair at a future date.

Ms. Woolsey said that since the last meeting she had given a great deal of thought toward the process the Committee has gone through and to the requested expenditures. She said she does not feel that she has sufficient information to perform her duties adequately as an elected official responsible to the voters and taxpayers. The budget for 2010 was \$24,374,734. This year there is a slight drop to \$24,233,576. Ms. Woolsey said she has seen excessive surpluses over the past couple of years. Warrant articles were presented at the March deliberative session saying there would be “no tax impact”. Ms. Woolsey said she challenged that at the deliberative session and this was changed to “tax rate impact has already occurred”.

Ms. Woolsey said if the Town is coming up with a \$2 million surplus at the end of this year, \$2 million less should have been requested. She said this violates RSA 32 Municipal Budget Act which prohibits carrying funds into the next year without a purchase order. The statute says each tax year is self-contained. The surplus funds should be surrendered at the end of the year to offset the tax rate. There is a way to encumber funds if you have a purchase order and it cannot be transferred anywhere else.

Ms. Woolsey presented two reports – Waste Water Treatment Facility, Sludge Handling Process Evaluation and Waste Water Treatment Facility, Operations Assessment. Ms. Woolsey said the public deserves to know what is in these reports. They show mismanagement and non-maintenance of equipment.

Mr. Pierce and Mr. Reniere objected to this discussion and said this should not be discussed at this meeting but should be handled by the Town. Chairman Stuker said he would give permission for Ms. Woolsey to continue.

Ms. Woolsey asked what the Town was doing with a \$600,000 surplus in the Public Works budget. Why is this money not being spent? Ms. Woolsey said she believed these surpluses were illegal carryovers.

Chairman Stuker asked Fred Welch, Town Manager, to speak to this.

Mr. Welch said he would not address in specific terms what should be done with the Public Works Department. There was a breakdown in a major piece of equipment this year. For many years everything has been “on the cheap”. This money is going to be used to replace an important piece of equipment that failed. This is going to cost a lot of money and has to be done in a sequential manner over a period of time.

Ms. Latimer said she was in agreement with postponing. She said the budget presented to the Committee by the department heads mirrored the prior year's budget. Ms. Latimer questioned if this is what the department heads needed in reality. Ms. Latimer said the results of the reports presented by Ms. Woolsey are going to cost the Town money and the Committee just received them tonight. Ms. Latimer said she felt a little more time was needed to study these reports and see if anything can fit in the 2011 budget. She said she felt it was wrong to take money from one year and put it in a warrant article in another year.

Mr. Welch said that if at the end of the year there are no legitimate purchase orders on the books all those funds will go to surplus. At Town Meeting the Selectmen can ask the voters to appropriate money from the undesignated fund balance for warrant articles. What is being done conforms to the law and all accounting standards. We are not using the subject money right now because we do not have the plans at this time.

Ms. Woolsey said clarity is important and she thinks it is deceptive to say "no tax impact" because when she paid her taxes last week she already paid for what is going on the warrant next year.

Mr. Lessard said the Committee should listen to the Town Manager.

Mr. Welch said the money for the Public Works article cannot be in the budget because if it is not in a warrant article, the State will not share the expense.

Chairman Stuker asked for a vote on Ms. Woolsey's motion.

Vote: 6 yes, 7 no (Lapham, McFarlin, O'Leary, Pierce, Plouffe, Reniere, Stuker), 1 abstention (Batemen). Motion failed.

Chairman Stuker asked for a motion on the Operating Budget for 2011.

Moved by Mr. Bateman, seconded by Mr. Lessard, to move forward to the public hearing the amount of \$24,271,521 for the Operating Budget for 2011.

Vote: 10 yes, 4 no (Latimer, Traynor, White, Woolsey). Motion passed.

Approval of the Minutes of November 16, 2010

Moved by Ms. Woolsey, seconded by Mr. Plouffe, to approve the Minutes of November 16, 2010.

Vote: 12 yes, 0 no, 2 abstentions (O'Leary, White). Motion passed.

Ms. Latimer discussed impact fees. She said she understood that they now benefit the schools until something is changed and that is being worked on. She asked who has been tracking the expiration dates. Mr. Schwotzer said the fees are held by the Treasurer in a specific account in trust funds. Mr. Schwotzer said his office tracks expiration dates. Ms. Latimer said she would like to receive a list of impact fee funds with the budget.

Moved by Ms. Latimer, seconded by Mr. Pierce, to request that the Budget Committee receive a list of impact fee funds and expiration dates with the budget.

Vote: 9 yes, 5 no (O'Leary, McFarlin, Lessard, Plouffe, Woolsey). Motion passed.

Chairman Stuker said that he had written a letter to the Planning Board regarding the Committee's concern about impact fees and asking if they could be applied to roads, sidewalks and drainage.

The next meeting will be Tuesday, December 21, 2010, at 7:00 p.m. in the Selectmen's Meeting Room at which time there will be a final review of the School District Budget (2011-2012) and Revenues.

Adjournment

There being no further business to come before the Committee, Mr. Bateman **moved**, seconded by Mr. Hansen, that the meeting be adjourned.

The meeting was adjourned at 9:12 p.m.

Respectfully submitted,

Joan Rice
Secretary