

Note: Draft minutes are subject to corrections, additions and deletions.

January 22, 2015

PRESENT: Philip Bean, Chairman
Mary-Louise Woolsey, Vice-Chairman
Rick Griffin, Selectman
Rusty Bridle, Selectman
Jim Waddell, Selectman
Frederick Welch, Town Manager

SALUTE TO THE FLAG

I. New Business (04:07)

1. Town Manager and Department's analysis of the effect of proposed budgets

Chairman Bean: the Board of Selectmen is the governing body for the Town of Hampton under New Hampshire RSA 41:8; manage the prudential affairs of the Town; Town budgets fall under that title; budgets and money are the nerve of government; Town Manager will discuss his perspective of the process with both the Selectmen and the Department Heads, their budgets, the approvals, Budget Committee approval, and reduction in the budget by the Budget Committee; go to the Finance Director on exact figures and what that looks like and really means to the tax rate; go to Police Department, Fire Department, and Public Works for their perspective on this Budget Committee's slashing of the budget.

Town Manager Welch: have a very good group of professionals and regardless of the resolution of the budget as will be voted on by the Town Meeting, professional employees will ensure the very best that can be accomplished will be done on behalf of our citizens; budget development takes two specific paths; first develop a regular budget that looks at traditional and continuing expenditures that we see each year as well as no new expenditures that will take place in the coming budget year; recommendations for new expenditures and expenses to cover identified problems or issues that must be acted upon for approval; the second is to develop a so called default budget; represents that bottom floor of the previous budget expenses for the previous year plus increases for contracts and legal obligations required by law for the coming year; regular budget was completed and presented to the Budget Committee; they started hearings on October 21, 2014 and continued through twelve meetings and a hearing ending on January 20, 2015; at each of those meetings Departments presented their budget requests; individual budgets were amended or not and then passed by the Committee; at the end of the process the Committee took up the budget at a regular meeting and reduced the budget to beneath the floor established by the default budget; that adopted budget presents some issues that the community should be aware of for the coming year; one of the most important issues concerns the 25% Town wide decrease in funds to

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purchase gasoline and diesel fuels; noted all the fuel accounts were over expended by more than \$11,000 in 2014; purchase gas and diesel under a State contract that is substantially less than street pump price; such a large decrease will force departments to decrease fuel consumption to make up for the decrease in the budget of \$65,000 plus the \$11,000 over expenditure from the previous year; this recommendation should be reviewed again; there was a reduction of \$40,000 in the Public Works Department budget that was presented as a new program that forces us to comply with a federal law to monitor and test all storm water collection systems on a regular and continuing basis; the funds necessary to comply will have to be taken from other programs; if it's from the drainage account it eliminates

any work on drainage in 2015; we have a lot of drainage problems; sidewalk maintenance has been reduced from \$26,000 to \$6,000 making it impossible to replace the sections of sidewalks urgently in need of repair; with two new Fire Stations it seems inappropriate to reduce the sums for heat and electricity for new buildings that have been doubled in size; the sums for water service were reduced; must pay for two sprinkler lines entering the buildings; those costs were removed from the budget; Police Department was impacted in a number of accounts that will have offsetting effects; restoring the default budget at the very least with necessary increases to adjust for required changes needs to be considered.

Finance Director Pulliam: in 2012 the Board of Selectmen requested budget was \$24.8 million; in 2015 it was \$27.5 million; that is only about a \$2.6 million difference in those four years or 9.6%; several times have heard people comment we have had a default budget for several years but in reality we had a default budget in 2014 but in 2012 and 2013 we had the Budget Committee's budget that passed which was below the default; total warrant articles in 2013 were \$874,000 that passed; in 2014 \$1.96 million; in 2015 the proposed is \$3.4 million; in 2012 the Town's portion of the tax rate was \$7.14; in 2013 it was \$7.04; in 2014 it was \$7.24; the local schools tax rate was \$7.02 in 2012, \$7.66 in 2013, and \$7.45 in 2014; the total tax rate in 2013 and 2014 was \$18.31 and in 2012 it was \$17.77; average single family assessment for 2014 is \$329,300; best estimates with Board of Selectmen budget is an increase of \$1.50 per \$1000; Budget Committee budget it is \$1.09; Default budget it is \$1.14; that equates to for the Board of Selectmen requested budget for the average house is an increase in tax bill of \$125; between the default budget and the Budget Committee's proposed budget is an increase of \$16.

Acting Fire Chief Ayotte: seen a significant call increase; anticipate that it's going to continue to grow with the growth down at the beach; based on 2014 actual numbers, the proposed budget is already below; electricity is going to change; it was identified by the utility contractor that their rates were going up; based on bills in January, anticipate going to see a projected shortfall of about \$29,089; heating oil and fuel is already at a deficit based on what was spent last year; project that deficit to be about \$5,500 based on what we are already seeing for invoices; total for water, electricity, and heating is approximately \$43,000 looking forward based on the numbers we've seen in January; what we will not get based on either budget we had a position placed in for the proposed budget and there was \$48,000 removed for the Fire Inspector's position; that position will unfortunately be cut based on the budget as it exists; the ice rescue sled and training with it will also be cut; a little over \$28,000 has been cut from the overtime budget which is concerning if there an event; will provide the best possible service; there is going to be an impact; already running on a deficit; looking at the electricity bills versus last year and projecting out we are already at 19% for January.

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Chief Sawyer: echoes Jamie's assessment of the utilities; the fuel lines have been reduced below the actuals from 2014; going to affect ability to be proactive; part-time special officer wages was affected as well; training is a critical part of professional police work; going to impact the number of people to put out and staying up to date on training; reduction equated to \$160,089 from what we proposed; had a good meeting with Budget Committee and left with a 11-4 vote to support budget; we will take what the tax payers give us and give our best effort; been going with the lower numbers for years with the mantra of we'll try to do more with less; reality is we're going to have to do less with less; we'll make it work; will not put out officers that aren't prepared; may have to work with a smaller, best trained force.

Deputy Public Works Director Jacobs: operations will be impacted and level of service to the public will decline; a number of operations are fixed in that they are public safety type issues; some of the options is a reduction by two or elimination of the summer beach crew, reduction in overtime for the highway staff, eliminate for all after hours calls except for purely emergencies, possibly no household hazardous waste collection this spring, no work on the MS4 permit, possibly reduction in the number of days for trash collection, reduction in the number of hours possibly at the transfer station, reduction possibly in the number of street lights, reduce the number of days beach sidewalk is swept, eliminate seaweed removal at town beaches, stop trash raking at Sun Valley, been in process of replacing traffic signs under federal rules that they all need to be updated by 2017, have been doing some each year, only signs that would be replaced would be related to safety, tree removal would be reduced to only those determined to be immediate threat to health and safety, if transmission fails, vehicle will be parked until savings can be found in other areas, to reduce fuel usage vehicles would be parked with keys turned into the Director, services like fall leaf and brush cleanup or Christmas tree collection may be eliminated, take away the pickup truck that the transfer station uses, and some of the winter clothing would be deferred for another year or budget; have to preserve money in anticipation of snow; electrical costs are way up.

Chairman Bean: the Board unanimously approved the Selectmen's budget; you were approved by the Budget Committee for your budgets when you presented directly, is that correct? Deputy Public Works Director Jacobs answered yes.

Selectman Woolsey: as far as the electricity that is because of the shortage of natural gas; there is nothing that can be done about that; not going to be able to get away from the heating fuel increases; have a lot of new buildings coming on; some of the large properties are going to take up some of the slack of the taxes; need to look at the overall picture of what is happening in our economy; the values of the properties is what is critical; total property value of this town is \$3 billion dollars and change; anticipates another \$31 million in building permits and construction; now requiring more service; means more traffic and more potential for dangerous situations; have potential for spreading the tax base for the services we need; we are going to have to have more police officers.

Police Chief Sawyer: Trying to put an officer onto a task force, Rockingham County is designated a high intensity drug trafficking area; looking for participation from the 95 drug corridor; still have the other problems to deal with; it all supports patrol.

Selectman Woolsey: the primary job of the Selectmen is to protect the Town from liability; what are we to tell the public and the community that we understand the problem but we cannot help.

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Chief Sawyer: the problem is we are a destination community; a lot depends on weather and events; cannot predict that; need to have contingencies; obligation to the safety of the community to have that contingency; need to be prepared if they do happen.

Selectman Woolsey: it is a terrible risk to have your officers out there shorthanded.

Acting Fire Chief Ayotte: it's not only a single department issue; when the police officers go to a drug situation very often they become our patients; so the Fire Department is impacted as well; it becomes a larger scope.

Selectman Woolsey: the failure to fund the Fire Inspector is a huge problem for the community; if inspections aren't made on time it's affecting the community; it never should have been removed; don't know where we are going here; know you need more manpower in the Fire Department; noted the shortfall for the transfer station; people paying taxes in this Town is the transfer station; it's a tremendous convenience; being shorted out in the highway staff too; it's a very unfortunate situation; if the Waste Water Treatment Plant can't run, what do you do with that; it's old and needs maintenance; can't afford to let that go without keeping up with that maintenance; it's really shortsighted.

Selectmen Griffin: how often does the Budget Committees of other communities do this? Town Manager Welch answered: work in seven communities in New Hampshire and one community out of state; never experienced this before in fifty-two years I've been in government; Budget Committees do make cuts; that's what they are there for; to analyze programs and proposals especially new ones; review those and come to decision if this is the time to do them; never seen a Committee cut the meat right down to the bone.

Selectman Griffin: in all my years the Budget Committee always likes to say they want the Department Heads to tell them what they need; think Department Heads did a good job doing that; it's unfortunate because people aren't going to be happy when they aren't going to be able to have the basic necessities that they want; if we are going to have any cuts, would like them to be with how many Budget Committee people so people are swept in because nobody puts their name in; nobody wants to be in that situation; it's not fair to anybody.

Selectman Bridle: we had departments try to make a very reasonable budget; heard people say they were sick of things being kicked down the river; stuff needs to get done; only way to get them done is to have some increases in the budget; if we are going to keep old vehicles we need to address the money on how to fix them; it's not in this budget; Town Manager talked about sidewalks; people do a lot of walking in this Town; our drainage is getting bad; the pipes are deteriorating; we're in a tough position here; challenge anyone to run their household in the last four years on a 9.5% increase; need to start covering our infrastructure; hope people will come to the deliberative session and make the changes; think it was very short sided of the Budget Committee; brought the Department Heads in there; gave them the false impression that their budgets were okay; then come in at the eleventh hour of the eleventh day and make these cuts; very unprofessional.

Selectman Waddell: we can't do more with less; appreciate homeowners and rational taxpayers but you can't do it forever; the process was flawed; when you ask someone to come in and grill them and take a vote, they all passed; then at the last moment here's the figure we're going to cut from that; why have everyone come in; Town has to realize the Town is growing; there are certain services you want to provide and have to provide; we're a

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unique Town; still think we're keeping our budget at a reasonable 14,000 populated Town; we need a fair share; people in Town need to decide do we want to do this; can't just look at the bottom line of the tax bill; need to decide what you want the Town to do.

Chairman Bean: thank you Selectman Waddell for that great work as the liaison with the Budget Committee; Board of Selectmen were unanimous on their approval of our own budget; don't often get involved with what other Boards do; was struck by the rationale from the Budget Chair in developing her concept of fuel allocation; were any of you Department Heads consulted about your fuel usage by the Chair prior to slashing the budget? Chief Sawyer: the last conversation I had was when I presented my budget.

Chairman Bean: that was a unanimous negative; was struck by the fact that the Chair who sponsored that slashing of the budget to the bone; she did have time to ask a stock broker on what he thought about the Hampton Fire Department, Police Department, and Public Work Departments fuel challenges; Public Works rakes a five star beach flawlessly; if that goes south, people stop coming down the highway and the Governor is going to be down here because the State is out of money; it will be a huge revenue drain; speaks to the dissatisfaction with that whole Budget Committee process louder than anything else; the Department Heads have brought forth their budgets; it's going to the Town Manager; it's gone to the Board of Selectmen; brought your budgets forward to the Budget Committee; you were all approved; now it's going to go to the people; ultimately this is what they will be voting on; it's their budget; up to the Town to get involved; when we have these differences in opinions, leadership styles, and technical analysis of operations, at the end of the day it's the voter that needs to get involved with this; my concern is liability; it's the operational risk management in this community; it's the life, health, and safety of young children; it's about senior citizens; it's about all of us; it's a far too aggressive cut; it endangers our community; it endangers our five star quality beach; it endangers our standard of living; it challenges our leadership; it's a huge challenge; it endangers the employees as well; it goes back to the people; hopefully they'll support the Selectmen's budget; hopefully they'll support an investment in their own community.

Selectman Woolsey: the default budget has turned into a sacred cow; it's not a goal; it's not a shining star; it's just figures on a page in case the public should vote against the proposed operating budget; if you're negative long enough it will stick; default budget all goes away after the vote in March; it becomes the actual Town operating budget; it's there as a guide during the budgeting season; it doesn't have a life of its own; it's nothing but a bunch of figures as a backstop; help us work to adequately fund the services we need for this community.

2. 2015 Warrant Signatures (1:04:21)

Town Manager Welch: the last time the Board met on the 2015 warrant, there was three members present; would Board like to revisit the votes on those articles that were voted on? Chairman Bean stated: there is a consensus for that.

Town Manager Welch: Article 45 for the Town Clerk Salary petition; the vote of the Board was to recommend the article 3-0-0.

Selectman Woolsey MOVED to recommend Article 45 SECONDED by Selectman Bridle.

VOTE: 5-0-0

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Selectman Woolsey: the Town Clerk is in her eighth year; it has expanded its services; it brings in more revenue; her whole budget is accomplished in one month; embarrassing for the Town Clerk to petition for a salary raise.

Town Manager Welch: Article 46 the Deed Restriction Removal, the vote was to not recommend 0-2-1.

Selectman Woolsey MOVED to not recommend Article 46 SECONDED by Selectman Bridle.

VOTE: 4-0-1(Griffin)

Selectman Griffin: why are we voting on this, it does not have any money value to it? Town Manager Welch answered that this Board is the only board that is able to recommend or not recommend on every article. In this article the petitioners would like to remove one building, rebuild it, and live in it; the other building is violating zoning and deed restrictions.

Town Manager Welch: Article 47 the Ice Pond Dam Petition, the vote was to not recommend 0-3-0.

Selectman Woolsey: the vote should reflect was 3-0-0 to not recommend.

Selectman Woolsey MOVED to not recommend Article 47 SECONDED by Selectman Waddell.

VOTE: 5-0-0

Town Manager Welch: Article 48 Reduce Budget Committee Members Petitioned, the vote was to recommend 2-1-0.

Selectman Waddell: does an even number create a problem? Town Manager Welch: not according to the statute; cannot have anything less than three, the statute needs to be amended; should be an odd number, and be amend at deliberative session.

Selectman Woolsey: feels it is a dangerous article, a lower number concentrates the power in fewer people.

Selectman Griffin: think it is a good idea; problem is getting enough people to run for the Budget Committee, need less people on the committee.

Selectman Bridle: Could not agree with you more Rick; need to have this article to get there; the public need to understand this, and get involved and to run, maybe we make it to five so it's an odd number.

Selectman Waddell: agrees with Mary-Louise that it could be run with fifteen; but did not see it being done this year; agrees much more with Rick and Rusty as people are being appointed, and not running; needs to be cut down.

Selectman Bridle MOVED to recommend Article 48 SECONDED by Selectman Waddell.

VOTE: 4-1(Woolsey)-0

Town Manager Welch: Article 49 Modify Deed Fence Restriction Petitioned; vote was to recommend 3-0-0.

Selectman Bridle MOVED to recommend Article 49 SECONDED by Selectman Griffin.

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VOTE: 4-1(Woolsey)-0

3. Annual Report Cover (01:17:44)

Town Manager Welch: The BOS has been requested to consider and approve the front cover for the Annual Town Report.

Selectman Woolsey MOVED to APPROVE the annual report cover SECONDED by Selectman Waddell.

VOTE: 5-0-0

II. Closing Comments (01:19:24)

Selectman Woolsey: is hoping to see plenty of residents turn out for the deliberative session, and if not to do not complain to her.

Selectman Waddell: is hoping many people come to the deliberative session; come and participate.

Selectman Bridle: be a reasonable taxpayer; encourages everyone to attend.

III. Adjournment (01:20:23)

Selectman Woolsey MOVED to adjourn at 8:19PM SECONDED by Selectman Bridle.

VOTE: 5-0-0

Chairman