

# Hampton Municipal Budget Committee

## DRAFT MINUTES

Tuesday February 18, 2020  
Selectman's Meeting Room 7 PM

### **Attendance**

Brian Warburton, Chair  
Michael Plouffe, Vice Chair  
Stephen LaBranche  
Steven Henderson  
David Maurer  
Rusty Bridle, Selectman Representative  
Robert Ladd, Hampton Village Beach District Representative

### **Absent**

Virginia Bridle-Russell, SAU90 Representative  
Joyce Skaperdas (excused)

### **1. Call to Order at 7 PM by Mr Warburton**

### **2. Pledge of Allegiance**

### **3. Introduction of Members**

Mr Warburton noted this is the last BudComm Meeting of 2019-2020

### **4. Review and Approval of Minutes**

January 7, 2020

<b>Motion : Mike Plouffe</b>	<b>to accept the Municipal budget Committee Minutes of January 7, 2020 as written</b>
<b>Second: Steven Henderson</b>	<b>Approved: Unanimous Abstained: Robert Ladd</b>

January 14, 2020

<b>Motion : Steven Henderson</b>	<b>to accept the Municipal Budget Committee Minutes of January 14, 2020 as written</b>
<b>Second: Rusty Bridle</b>	<b>Approved: Unanimous Abstained: Robert Ladd</b>

January 16, 2020

<b>Motion : Mike Plouffe</b>	<b>to accept the Municipal Budget Committee Public Hearing Minutes of January 16, 2020 as amended to show 2 ¾” ton truck with plow in Article #22.</b>
<b>Second: David Maurer</b>	<b>Approved: Unanimous Abstained: Robert Ladd</b>

**5. Hampton Beach Village District 2020 Proposed Operating Budget Review.**

Mr Warburton explained that BudComm would review the two warrant articles before commencing the Public Hearing. He invited Chuck Rage and Maureen Buckley, Village District Commissioners, to make the presentations. Mr Rage distributed the FY2020 Budget Worksheet.

**General Government - Warrant Article #2**

Mr Ladd moved the sum of \$68,650 for the Village District FY2020 General Government Budget. Second: Mr LaBranche.

Mr Rage distributed the Beach Village District Worksheet explaining this is comprised of two budgets: Warrant Article #2 General Government Expenses (7%) is paid for by district residents (Executive Board Payroll, Accountant/Auditor, Legal, Maintenance, Insurance, Miscellaneous). Warrant Article #3 Culture and Recreation Expenses (93%) is paid for by businesses, rental income, hotels, etc with revenues derived from people enjoying the Beach (Media, Entertainment, Parking lot, Fireworks, Sand Sculpture and other special events, visual enhancements, Community Support and Transportation/Bus). Mr Rage reported on the many awards recognizing Hampton Beach as one of the best Beaches in the country, noting that their work in the Village District is paying off.

Mr Rage called attention to two changes in the executive budget figures as shown: (i) Payroll is reduced to \$7,000 from 8,000; (ii) Legal is increased to \$6,000 from \$5,000. The bottom line remains the same. Mr Ladd moved to change the payroll line to \$7,000, and the legal line to \$6,000. Second: Mr LaBranche. Mr Maurer noted that the actual 2019 total for the General Government budget was \$43,918.47 while the FY2020 proposed budget figure is \$68,650, and asked for an explanation. Mr Rage explained that several lines were underspent, for example, legal, insurance, and playground, noting that with more than 40 days of rain painting work on the playground was delayed, and some of the equipment ordered arrived later than expected. Work on signs was delayed but is now in progress. In response to Mr Maurer, Mr Rage said that NH had changed the rules and they can no longer offer a scholarship. Mr Ladd explained that any approved budgeted funds that are not spent are returned to the taxpayers to reduce the next year's taxes. In response to Mr Warburton, Mr LaBranche said there is an unassigned fund

balance of about \$450,000 that the DRA requires to be held because if the Village District did not pay its bills the State would have to pay. Mr Rage commented that the Town of Hampton actually collects the Village District taxes and disburses the funds during the year. Mr Rage commented that most of that money is used for promotion.

**Mr LaBranche forwarded to the Public Hearing the sum of \$68,650 for the FY2020 Village District General Government Budget; Second: Mr Ladd. Approved: Unanimous.**

**Culture and Recreation - Warrant Article #3**

Mr Ladd moved the sum of \$900,813 for the Village District FY 2020 Culture and Recreation Budget; Second: Mr LaBranche.

Mr Ladd noted the actual amount spent in FY2019 was significantly lower than proposed. The remainder will be returned to the taxpayers (not to the unassigned fund balance). Mr Warburton asked about the substantial increase in the Media Director salary line. Mr Rage said the \$56,500 now covers the two individuals taking over for John Kane who is retiring.

Mr LaBranche said contributions received for the fire show and movie night are accounted for as other donations (Revenues) because they can no longer be booked as a credit. Mr Warburton asked about the \$1 placeholder for the Hampton Beach Area Commission. Mr Rage said they used to provide sponsorship for the HABC which is no longer needed, but they are keeping the line open just in case. Mr Ladd commented that the Recreation Department had contributed \$999. Mr Henderson thought it wise to set this up as \$1000 approved by the BOS. Mr Warburton questioned one agency giving to another.

**Mr Ladd moved to the Public Hearing the sum of \$900,813 for the Village District FY 2020 Culture and Recreation Budget; Second: Mr LaBranche; Approved: Unanimous**

**6. Hampton Beach Village District 2020 Proposed Operating Budget Public Hearing**

Mr Warburton opened the Public Hearing at 7:28 PM for the FY2020 Hampton Beach Village District Warrants #2 – General Government and #3 – Culture and Recreation. There being no comments. Mr Warburton closed the Public Hearing at 7:29 PM.

The Village District Deliberative Session is scheduled for March 27, 2020 at the Beach Fire Station.

Mr Rage suggested that next the BudComm Village District meeting could be held at the Beach with chowder etc. Mr Warburton noted that in the past some town meetings were held at the Beach and wanted to do that again.

## **7. Old Business**

### **Master Plan Initiative**

Mr Warburton commented that this Master Plan Committee was among the best he'd worked with. The warrant article last year did not pass. This year an appointed steering committee was formed with representatives from the Zoning Board, Selectmen, Budget Committee, Conservation Committee, Planning Board and citizens at-large. Mr Warburton asked Ms Kravitz for an update. Ms Kravitz said the consultant for the Vision and Coastal Management segments has been identified and approved; the contract is in process and has to go before the Executive Council in March before it can be implemented. Additionally, the Warrant Article requesting \$125,000 to hire a consultant to produce the remaining segments has been rewritten in a way that seems to satisfy many people. Additionally, the first draft of that rfp should be available at tomorrow's Planning Board meeting. Mr Warburton added that the town was also awarded \$45,000 for the Vision and Coastal segments.

Ms Kravitz said the survey to get lots of ideas from the public about what they'd like to see in the years ahead can be executed on-line at the Town Website. Mr Warburton said infrastructure (roads, sewer) are cited a lot. Mr LaBranche spoke of the disastrous situation in Ft. Lauderdale, FL which, like Hampton, is trying to fix streets a little at a time. Sewage runs down the streets- and they can't fix the pipes fast enough.

### **8. Board of Selectmen**

No comments.

### **9. Unassigned Fund Balance (UFB)**

David Maurer wanted to clarify the "Unassigned Fund Balance" which is recommended by the state for all municipalities, and the designation as having zero impact when utilized to meet the Town's financial and fiduciary obligations. The allowed purposes are: (i) unexpected costs – to avoid borrowing, (ii) emergency funds, (iii) select and needy warrant articles, and (iv) to mitigate the tax burden i.e. return monies to the taxpayers. The State DRA recommends the annual amount held to be 5-17 percent of the net adjusted appropriations of taxes to be raised by the Town for municipal purposes (net of schools, county, and precinct taxes). The funds come from the unexpended amounts including approved warrant article(s).

According to Mr Maurer, the actual UFB balance in 2007 was \$1,719,672; today it's approximately \$8 Million. In 2015 the UFB was \$6,097,298 – taxpayers received a tax reduction of \$500,000. In 2016 the UFB was \$6,337,286 – the taxpayer reduction was \$1,000,000. In 2017 the UFB was \$6,846,265 – the taxpayer reduction was \$600,000. In 2018 the UFB was \$8,326,657 - no reduction for taxpayers. In 2019 the UFB was \$8,000,000 – no reduction for taxpayers. Given this history Mr Maurer disagreed with the designation of "no tax impact" when UFB monies are used, because these monies come from the taxpayers. Furthermore, for

example, if the bulk of the monies had to be used the state would require the taxpayers to replenish the UFB.

Mr Maurer said this year a lot of the UFB is being used to fund various warrant articles, and questioned applying “no tax impact” to those expenditures because it is the taxpayers who are making those payments. Accordingly, more transparency is needed so the taxpayers have a clear understanding. He recommended that in September the Budget Committee’s Chair and Co-Chair meet with the Selectmen to develop a communication setting forth the policy, and creating clear rules, guidelines, and accountability. Additionally, he suggested they determine a fair and reasonable tax refund which he considers to be two years overdue. This process should be fully transparent over time. Mr Maurer emphasized that he knew nothing about the UFB (611-1) until he became a member of the Budget Committee. As long as voters know what they are voting for that’s fine.

Mr LaBranche said once the town, schools, and village district budgets have been voted, the bottom line(s) cannot be exceeded, nor can funds be drawn from the UFB without initiating an emergency warrant article procedure and a public vote; this is in accordance with state law. The 5-17 figure is from the DRA. He noted that at this time technically the town has no budget but is allowed to continue payments until the vote in March. There has to be money in the town accounts and they don’t know when there might be a heavy snowstorm. He feels the Town Manager does a very good of trying to keep the tax rate from spiking, sometimes using some of the UFB, as in this year, in a number of this year’s warrants. Mr LaBranche said otherwise the taxpayers would have to raise and appropriate additional monies. He thought this good management by the Town Manager and the Selectmen.

Mr Henderson said when the town goes to borrow funds, having money in several funds is helpful in gaining approvals and lower interest rates. Mr Bridle added that the Treasurer can avoid borrowing money in anticipation of tax revenue by utilizing the UFB and avoiding interest charges. Mr LaBranche noted the village district has a written contract with the town if money is needed before the first tax payment in June, noting that parking lot revenue doesn’t begin until then. He thought the cooperation works well.

Mr Ladd said this discussion is really for the next Budget Committee. Mr Maurer agreed noting his belief that the money being retained in the UFB is too high a percentage, so a returning an amount to taxpayers should be considered. Mr Plouffe commented that the UFB provides a source for working capital in advance of tax revenue, saving the town about \$750,000 in interest. He agreed management did a good job keeping funds-availability at an even level. He suggested that “taxes paid the prior year” would be a preferable designation rather than “zero tax impact”. Mr Warburton noted that the UFB balance had accumulated over a number of years. This year \$1.5 Million is going for much needed roads improvement recognizing that some money must go for infrastructure improvements. The Board of Selectmen is responsible

for setting policy about how much to return to taxpayers, so he was cautious about having those discussions within the BudComm; suggestions could be forwarded.

Mr Henderson commented that the Town Manager was sensitive to taxpayer concerns and, as asked by BudComm, made several cuts to produce a good budget. Mr Warburton thanked Mr Maurer for calling attention to the UFB.

**10. BudComm Meeting Schedule**

**Election: March 10, 2020, Winnacunnet High School**

**March 17, 2020 Budget Committee Reorganization 7PM**

**11. Adjournment**

Mr LaBranche moved to adjourn the February 18, 2020 Municipal Budget Committee Meeting at 8:05PM. Second: Mr Plouffe.

Respectfully Submitted  
Barbara Kravitz  
Recording Secretary  
Municipal Budget Committee