



1
2 **TOWN OF NORTH HAMPTON, NEW HAMPSHIRE**
3 **MUNICIPAL BUDGET COMMITTEE**
4 **PUBLIC HEARINGS**

5 **January 11, 2024 6:30 PM**

6 **NORTH HAMPTON TOWN HALL**

7 ***DRAFT MINUTES***

8
9 **MEMBERS PRESENT:** Chairman Rick Stanton, Vice-Chairman Tom von Jess, Larry Miller, Sean Dionne,
10 Andrew Raucci; Michael Gendre sitting in for Lisa Gagalis (*non-voting*)

11 **Members on Zoom:** Little Boar's Head Rep Brian Goode, Lisa Gallagher, Select Board Rep James Sununu

12 **ALSO PRESENT:** School Finance & Operations Director Matt Ferreira, School Principal Susan Snyder, Town
13 Administrator Michael Tully, Town Finance Director Ryan Cornwell

14
15
16 Chairman Rick Stanton welcomed everyone to the North Hampton Municipal Budget Committee Public
17 Hearings of January 11, 2024 and called the meeting to order at 6:33 pm, followed by the Pledge of
18 Allegiance.

19
20 **Motion:** Mr. von Jess made a motion for Brian Goode, Lisa Gallagher, and James Sununu to participate in
21 the meeting by Zoom, with all votes by Roll Call; **Vote:** All in favor.

22
23 **OLD BUSINESS:** Review and approve any Draft Minutes.

24
25 **NEW BUSINESS**

26 Chairman Stanton said they would start with School Warrant Articles, then Town Warrant Articles, School
27 Public Hearing and Town Public Hearing. He asked that all public discussion be held until the Public
28 Hearings, with Roll Call votes taken on all Warrants.

29
30 **Review and make Recommendation of North Hampton School Warrant Articles**

31 School Finance & Operations Director Matt Ferreira reviewed the School Warrant Articles:

32
33 **Article 1:** Operating Budget for FY2025 of \$10,125,584, 0.96% increase over prior year, \$60,000 lower than
34 Default of \$10,186,273. Budget Committee recommended.

35

36 Article 2: Seacoast Educational Support Personnel Association (SESPA) Collective Bargaining Agreement
37 (CBA) for Paraprofessionals, essential part of School community with non-competitive compensation of
38 \$15-\$19 per hour; seeing 30%-40% turnover and currently cannot compete with other communities. New
39 contract: offering a \$2.00 increase in years 1 and 2, \$1.00 in years 3 and 4; adding 2-person and family
40 health plans in years 3 and 4. Warrant needs to pass in all districts; if it fails in one it fails across the board
41 with no COLA and no steps. Year 1, \$58,647; Year 2, \$53,795, Year 3, \$61,292; Year 4, \$58,768.

42
43 Chairman Stanton said with his experience in special education, this is probably the most important
44 Warrant Article people will be voting on this year. He said employees need to be compensated fairly and
45 put the word out to support this.

46
47 Article 3: Long Term Maintenance Warrant Article put out annually to address building maintenance and
48 repair projects at North Hampton School; \$80,000 aligns with 5-year CIP: \$60,000 to upgrade automatic
49 door system for access control with remote capability; \$20,000 to replace Public Address System.

50
51 Article 4: Building Maintenance Expendable Trust: contributing \$50,000 via unreserved fund balance to
52 help maintain appropriate trust balance; current balance \$100,000 with \$150,000 target.

53
54 Mr. Goode asked what the target is based on. School Finance Director Ferreira said it is based on historical
55 large withdrawals and what will safeguard the School. Ms. Gallagher asked for an example and said she
56 never got the Warrant Articles. Director Ferreira said he presented on each warrant during his Budget
57 Presentations. Vice-Chair von Jess gave the example of the repair to the leaking gymnasium roof a few
58 years ago; Director Ferreira said the most recent was the glycol replacement for just under \$1 Million.
59 Chairman Stanton said a motion could be made to reconsider the School Operating Budget.

60
61 **Recommendation of School Warrants**

62 **Motion:** Vice-Chair von Jess made a motion to approve *School Warrant Article 2, SESPA CBA* as presented;
63 **Seconded:** Mr. Dionne; **Roll Call Vote:** Sean Dionne-aye, Andrew Raucci-aye, Tom von Jess-aye, Rick
64 Stanton-aye, Larry Miller-aye, Brian Goode-aye, Lisa Gallagher-aye, James Sununu-aye; *Motion approved*
65 *8-0.*

66
67 **Motion:** Vice-Chair von Jess made a motion to approve *School Warrant Article 3, Long-Term Maintenance*
68 *as presented;* **Seconded:** Mr. Raucci; **Roll Call Vote:** Sean Dionne-aye, Andrew Raucci-aye, Tom von Jess-
69 aye, Rick Stanton-aye, Larry Miller-aye, Brian Goode-aye, Lisa Gallagher-aye, James Sununu-aye; *Motion*
70 *approved 8-0.*

71
72 **Motion:** Vice-Chair von Jess made a motion to approve *School Warrant Article 4, Building Maintenance*
73 *Expendable Trust* as presented; **Seconded:** Mr. Dionne;

74
75 Discussion: Mr. Goode said with the other Long-Term Maintenance Warrant of \$80,000, he felt the current
76 balance in this trust was adequate.

77
78 **Roll Call Vote:** Sean Dionne-aye, Andrew Raucci-aye, Tom von Jess-aye, Rick Stanton-aye, Larry Miller-
79 aye, Brian Goode-nay, Lisa Gallagher-nay, James Sununu-aye; *Motion approved 6-2.*

80
81 **Review and make Recommendation of Town of North Hampton Warrant Articles**

January 11, 2024

82 Town Administrator Michael Tully said Warrant Article 1, FY2025 Town Operating Budget was already
83 approved. Chairman Stanton read each article in full with explanations by Town Administrator Tully.

84
85 Article 2: Proposed Fire Department CBA to see if the Town will vote to approve cost items in a 3-year
86 CBA reached between the Select Board and international Firefighters Association Local 32-11, calling for
87 the following increases in salaries and cost items at the current staffing level: FY2025 increase \$150,169,
88 FY2026 increase \$77,653, FY2027 increase \$62,899; and further for the Town to raise and appropriate
89 through taxation the sum of \$151,669 for FY2025 for additional costs for Year 1; recommended by the
90 Select Board 3-0.

91
92 Town Administrator Tully said public employees are hard to find and keep and other communities have
93 gone up considerably on pay. New contract: steps annual at 1.25%; ability to bring in employees up to
94 step 4 for qualified people; raised buyouts for Health Insurance; short-term disability offered; raised
95 uniform allowance from \$750-\$900; professional leave for education; longevity pay added: 5-9 years
96 \$500, 10-14 years \$1,000, 15 years and over \$1,500. He said the biggest budget driver this year was Health
97 Insurance at around \$400,000.

98
99 Selectman Sununu emphasized the challenges in attracting employees with such a low number of
100 qualified candidates applying for positions. He said the goals here were to retain good employees by
101 creating a competitive step system, and to create opportunities to attract experienced candidates and for
102 employees to bring in a lateral hire.

103
104 Article 3: Revised Police & Highway Department CBA: to see if the Town will vote to raise and appropriate
105 the cost items in a revision to the 3-year Collective Bargaining Agreement (CBA) reached between the
106 Select Board and Police Benevolent Association Local 211 calling for the following increases in salaries,
107 fringe, and other costs at the current staffing level, and further to raise and appropriate through taxation
108 the sum of \$168,637 for FY2025 increases required by revised agreement.

109
110 Town Administrator Tully said this warrant article was due to exodus of employees in the Police
111 Department; Select Board met with Police Department to discuss how to help keep people and received
112 one answer: compensation; in comparison to other towns North Hampton is \$10,000 behind with salaries.
113 This agreement will adjust each step in the 12-step system and give employees referral bonuses.

114
115 Ms. Gallagher asked about Police Officers who left for lower-paying jobs and demotions. Town
116 Administrator Tully said he cannot speak to what officers make after they leave North Hampton. He said
117 one officer did go to one of the highest paying departments around, and asked that any actual evidence
118 to back that up be shared.

119
120 Vice-Chair von Jess asked what year they were in with the 3-year contract; Town Administrator Tully said
121 this is the third year. Vice-Chair von Jess agreed that this was important and encouraged the union to put
122 forward what they need in future, adding it was not typical to change a CBA mid year. Chairman Stanton
123 said on the town side there is a whole new leadership team with a new Police Chief and new Deputy Police
124 Chief.

125
126 Article 4: Replacing Fire & Rescue Forestry Water Rescue Vehicle: to raise and appropriate sum of \$90,000
127 for purchasing and equipping a Forestry Water Rescue Vehicle for Fire & Rescue Department to replace

128 temporarily repurposed former DPW vehicle, with funds from Fire Department Equipment & Apparatus
129 Special Revenue Fund; identified and approved in CIP; no impact on taxation.

130

131 Town Administrator Tully said when he took over, the Fire Department did not have enough money in
132 Capital Reserves; the account was redone and tied to CPI index with fund fed by ambulance fees. He said
133 worked on regionalization, working out an agreement with Rye to share their new Ladder Truck, a \$1.2
134 Million cost; Rye has an issue with water rescue equipment and it was decided to back them up in that
135 way to help us give back to what we are receiving.

136

137 Chairman Stanton explained that this article is a warrant as the cost is over \$10,000. Mr. Goode asked if
138 the revenue in this account from ambulance fees is being used to pay employee salaries, or just being put
139 into this account. Town Administrator Tully said salaries are covered in the Budget so the whole amount
140 goes into this account. He said even if you offset budgeted salaries, you would not be able to purchase
141 equipment without affecting the tax rate; new equipment costs at \$1 Million would need to be bonded.
142 Mr. Goode said if bonded, people living in town are actually paying for it versus people living in town 5
143 years earlier and inflation is being lost every day on that account.

144

145 Article 5: Purchase of Mini-Splits for the Highway Facility: to raise and appropriate the sum of \$10,000 for
146 purchasing and installing Mini-Splits at the Highway Department Facility with funds to come from Building
147 Maintenance Capital Reserve Fund; no effect on taxation.

148

149 Town Administrator Tully said this started as a condenser problem in highway department with the AC;
150 was more cost-effective to put in Mini-Spits and cover a wider area; office temperatures can be raised
151 without raising bay temperatures. Mr. Miller asked if adequate AC and heat would be provided to
152 employees.

153

154 Article 6: Road Resurfacing: to raise and appropriate the sum of \$300,000 for purpose of resurfacing then
155 reconstructing 3 miles of road by depositing \$30,000 from the previously established Municipal
156 Transportation Improvement Capital Reserve Fund created for this purpose and raising through taxation
157 the sum of \$270,000; item identified and approved in CIP.

158

159 Town Administrator Tully thanked John Hubbard for taking such good care of North Hampton roads for
160 this year, working according to his 15-year plan. This year: 2 roads shim and overlay and 2 total
161 reclamations; this warrant is seen yearly with Transportation Funds coming from motor vehicle
162 registrations, etc. Chairman Stanton said the roads are not listed in the warrant because if article is
163 defeated no work can be done on those roads; itemized list available under CIP plans.

164

165 Article 7: Replace DPW Mower: to raise and appropriate through taxation the sum of \$17,000 to replace
166 current 2012 mower for DPW; identified in approved CIP plan.

167

168 Town Administrator Tully said this is a DPW commercial mower used daily and showing its age.

169

170 Article 8: Contribution to Earned Time Settlement Capital Reserve Fund: raise and appropriate through
171 taxation the sum of \$100,000 for deposit into Earned Time Settlement Capital Reserve Fund with purpose
172 to buy out employees earned time during at any point of the life of their career and limit the Town's
173 Unfunded Accrued Leave Liability, estimated to be \$417,625, of which \$198,899 may be payable prior to
174 July 1, 2025; balance as of December 31, 2023 is \$74,408.

175
176 Town Administrator Tully said the fund is very simple: it is always cheaper to buy out employees now
177 rather than tomorrow. Employees can sell back vacation time during career or at its end; worst case
178 scenario of \$198,899; brings account to \$174,000. Ms. Gallagher asked if this this unfunded leave is just
179 people who do not take vacation and you owe them money. Town Administrator Tully said for vacation
180 and union employees are allowed to carry over an amount of sick time, often with large buyouts at
181 retirement.

182
183 Mr. Miller asked if there is a policy forcing non-organized employees to take time off; Town Administrator
184 Tully said there is not but savings can be limited to a maximum. Mr. Miller said there is then building
185 liability there with the opportune time to buy out before not later.

186
187 Article 9: Contribution to Town Revaluation Capital Reserve Fund: to raise and appropriate through
188 taxation the sum of \$12,500 for deposit into Town Revaluation Capital Reserve Fund; purpose to allow
189 funding to comply with State of New Hampshire requirement to perform property revaluation every 5
190 years; fund balance as of December 31, 2023 \$20,106.

191
192 Town Administrator Tully said the prudent thing to do is save so we are ready to pay when it next comes
193 up. Ms. Gallagher asked the cost for revaluation; Town Administrator Tully said this year is was \$52,000
194 and he expects it to be \$70,000 in 5 years.

195
196 Article 10: Contribution to EPA Stormwater Capital Reserve Fund: to raise and appropriate through
197 taxation the sum of \$20,000 for deposit into the EPA Stormwater Capital Reserve Fund; purpose is to
198 implement MS4 project required by unfunded Federal Mandate of EPA to prevent harmful pollutants
199 being washed into local water bodies; December 31, 2033 fund balance \$28,874.

200
201 Town Administrator Tully said every year MS4 gets more in-depth and more expensive; funded originally
202 in 2017 with \$60,000 and are now 6-7 years into it.

203
204 Article 11: Contribution to Town Land Environmental Remediation Capital Reserve Fund to raise and
205 appropriate through taxation the sum of \$20,000 to deposit into Town Land Environmental Remediation
206 Capital Reserve Fund; purpose for the environmental remediation to town-owned land and costs related
207 to it; December 31, 2023 balance \$21.00.

208
209 Town Administrator Tully said this account started with PFAS issues with Fire and Police Stations and going
210 into area properties. DES mandated we drill monitoring wells, monitor and test them; worked on for 3
211 years and are now down to \$21.00; will need to test them yearly and need to refund account.

212
213 Article 12: Close Town Building Capital Reserve Fund: to see if the Town will vote to close/discontinue the
214 Town Building Capital Reserve Fund created in 2006, amended in 2018 to plan and prepare for future
215 town building projects including new buildings and renovations to existing buildings not covered as part
216 of routine maintenance; said funds with accumulated interest to date of withdrawal to be transferred to
217 Town's General Fund; no impact on taxation.

218
219 Town Administrator Tully said this CRF was to plan and save for Town buildings and is put forward for the
220 public to determine if it should be closed.

221

222 Article 13: To adopt the North Hampton Community Choice Aggregation Plan which authorizes the Select
223 Board to develop and implement a North Hampton Community Choice Aggregation Plan as described by
224 RSA 53-E, program to allow North Hampton residents and businesses access to competitive markets for
225 supplies of electricity and other related energy services.

226

227 Town Administrator Tully said this was approved by State Legislature two years ago; discussed with Select
228 Board and decided to watch other communities to see positives and negatives; is a good way for residents
229 to be grouped together for lower rates.

230

231 Article 14: To Modify the Elderly Exemption from Property Tax: should the Town modify provisions of RSA
232 72:39-a for elderly exemptions from property tax in the Town of North Hampton on assessed value for
233 qualified taxpayers to be as follows: 65-75 years, \$170,000; 75-80 years \$225,000; 80 years or older
234 \$275,000.

235

236 Town Administrator Tully said this was last looked at in 2018 and is usually done with revaluation. Raising
237 the value of property lowers the percentage of exemption; in this case each person was losing 38% and
238 exemptions were increased 38%. Mr. Dionne said he noticed that on the State website the ages are: 65-
239 74, 75-79, and 80+. Town Administrator Tully said the warrant was written by our assessor from but he
240 would check on that.

241

242 Chairman Stanton said that is an administrative correction that can be made without the Budget
243 Committee having to revote. Mr. Raucci asked the impact of Article 14; Town Administrator Tully said not
244 much as it is being done the same year as the revaluation. Selectman Sununu said the Board targeted the
245 dollar amounts to try keep exemptions level.

246

247 Recommendation of Town Warrants

248 **Motion:** Vice-Chair von Jess made a motion to approve *Town Warrant Article 2, Proposed Fire Department*
249 *CBA* as presented; **Seconded:** Mr. Miller; **Roll Call Vote:** Sean Dionne-aye, Andrew Raucci-aye, Tom von
250 Jess-aye, Rick Stanton-aye, Larry Miller-aye, Brian Goode-aye, Lisa Gallagher-aye, James Sununu-aye;
251 *Motion approved 8-0.*

252

253 **Motion:** Vice-Chair von Jess made a motion to approve *Town Warrant Article 3, Revised Police & Highway*
254 *Department CBA* as presented; **Seconded:** Ms. Gallagher; **Roll Call Vote:** Sean Dionne-aye, Andrew Raucci-
255 aye, Tom von Jess-aye, Rick Stanton-aye, Larry Miller-aye, Brian Goode-aye, Lisa Gallagher-aye, James
256 Sununu-aye; *Motion approved 8-0.*

257

258 **Motion:** Vice-Chair von Jess made a motion to approve *Town Warrant Article 4, Fire & Rescue Forestry*
259 *Water Rescue Vehicle* as presented; **Seconded:** Ms. Gallagher; **Roll Call Vote:** Sean Dionne-aye, Andrew
260 Raucci-aye, Tom von Jess-aye, Rick Stanton-aye, Larry Miller-aye, Brian Goode-aye, Lisa Gallagher-aye,
261 James Sununu-aye; *Motion approved 8-0.*

262

263 **Motion:** Vice-Chair von Jess made a motion to approve *Town Warrant Article 5, Purchase of Mini-Splits*
264 *for Highway Department Facility* as presented; **Seconded:** Mr. Raucci; **Roll Call Vote:** Sean Dionne-aye,
265 Andrew Raucci-aye, Tom von Jess-aye, Rick Stanton-aye, Larry Miller-aye, Brian Goode-aye, Lisa Gallagher-
266 aye, James Sununu-aye; *Motion approved 8-0.*

267

Municipal Budget Committee Public Hearings

January 11, 2024

268 **Motion:** Vice-Chair von Jess made a motion to approve *Town Warrant Article 6, Road Resurfacing* as
269 presented; **Seconded:** Mr. Dionne;

270
271 Discussion: Mr. Goode said this should be in the budget.

272
273 **Roll Call Vote:** Sean Dionne-aye, Andrew Raucci-aye, Tom von Jess-aye, Rick Stanton-aye, Larry Miller-
274 aye, Brian Goode-nay, Lisa Gallagher-nay, James Sununu-aye; *Motion approved 6-2.*

275
276 **Motion:** Vice-Chair von Jess made a motion to approve *Town Warrant Article 7, Replace DPW Mower* as
277 presented; **Seconded:** Mr. Raucci; **Roll Call Vote:** Sean Dionne-aye, Andrew Raucci-aye, Tom von Jess-aye,
278 Rick Stanton-aye, Larry Miller-aye, Brian Goode-aye, Lisa Gallagher-aye, James Sununu-aye; *Motion*
279 *approved 8-0.*

280
281 **Motion:** Vice-Chair von Jess made a motion to approve *Town Warrant Article 8, Contribution to Earned*
282 *Time Settlement Capital Reserve Fund* as presented; **Seconded:** Mr. Miller; **Roll Call Vote:** Sean Dionne-
283 aye, Andrew Raucci-aye, Tom von Jess-aye, Rick Stanton-aye, Larry Miller-aye, Brian Goode-nay, Lisa
284 Gallagher-nay, James Sununu-aye; *Motion approved 6-2.*

285
286 **Motion:** Vice-Chair von Jess made a motion to approve *Town Warrant Article 9, Contribution to Town*
287 *Revaluation Capital Reserve Fund* as presented; **Seconded:** Mr. Miller; **Roll Call Vote:** Sean Dionne-aye,
288 Andrew Raucci-aye, Tom von Jess-aye, Rick Stanton-aye, Larry Miller-aye, Brian Goode-nay, Lisa Gallagher-
289 nay, James Sununu-aye; *Motion approved 6-2.*

290
291 **Motion:** Vice-Chair von Jess made a motion to approve *Town Warrant Article 10, Contribution to EPA*
292 *Stormwater Capital Reserve Fund* as presented; **Seconded:** Mr. Dionne; **Roll Call Vote:** Sean Dionne-aye,
293 Andrew Raucci-aye, Tom von Jess-aye, Rick Stanton-aye, Larry Miller-aye, Brian Goode-nay, Lisa Gallagher-
294 nay, James Sununu-aye; *Motion approved 6-2.*

295
296 **Motion:** Vice-Chair von Jess made a motion to approve *Town Warrant Article 11, Contribution to Town*
297 *Land Environmental Capital Reserve Fund* as presented; **Seconded:** Mr. Miller; **Roll Call Vote:** Sean Dionne-
298 aye, Andrew Raucci-aye, Tom von Jess-aye, Rick Stanton-aye, Larry Miller-aye, Brian Goode-nay, Lisa
299 Gallagher-aye, James Sununu-aye; *Motion approved 7-1.*

300
301 **Motion:** Vice-Chair von Jess made a motion to approve *Town Warrant Article 12, Close the Town Building*
302 *Capital Reserve Fund* as presented; **Seconded:** Mr. Dionne;

303
304 Budget Committee vote was not needed and motions to approve Warrant Article 12 were withdrawn.
305 No vote was required for Town Warrant Article 13.

306
307 **Motion:** Vice-Chair von Jess made a motion to approve *Town Warrant Article 14, Modify the Elderly Tax*
308 *Exemption* as presented; **Seconded:** Mr. Miller; **Roll Call Vote:** Sean Dionne-aye, Andrew Raucci-aye, Tom
309 von Jess-aye, Rick Stanton-aye, Larry Miller-aye, Brian Goode-aye, Lisa Gallagher-aye, James Sununu-aye;
310 *Motion approved 8-0.*

311
312 **Public Hearing for FY2025 North Hampton School Budget and Warrant Articles**

313 **Public Hearing for FY2025 Town of North Hampton Budget and Warrant Articles**

314 *Chairman Stanton opened the Public Hearings for Town and School Budget Warrant Articles.*

January 11, 2024

315
316 Mr. Goode said excluding major building projects this is the first year the Town has a higher budget
317 through taxation than the School. Vice-Chair von Jess said the Town always presents a budget that is
318 disciplined and explained properly, and the most expensive thing was health insurance which we
319 recognize; at the same time the School has taken steps to decrease its costs where it can due to decreasing
320 enrollment. Mr. Miller said the Town also has the best municipal facilities it has ever had in his 30 years
321 here and that costs money; School is in its best shape now.

322
323 *Chairman Stanton closed the Public Hearings for Town and School Warrant Articles.*

324
325 **ANY OTHER ITEM THAT MAY LEGALLY COME BEFORE THE COMMITTEE**

326
327 **PERIOD OF PUBLIC COMMENT**

328
329 **ADJOURNMENT**

330
331 Chairman Stanton adjourned the Municipal Budget Committee Meeting at 7:46 pm.

332 Respectfully submitted,

333 Patricia Denmark, Recording Secretary

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337
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344