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2 **TOWN OF NORTH HAMPTON, NEW HAMPSHIRE**  
3 **MUNICIPAL BUDGET COMMITTEE MEETING**

4 **October 30, 2023 6:30 PM**

5 **NORTH HAMPTON TOWN HALL**

6 ***DRAFT MINUTES***

7  
8 **MEMBERS PRESENT:** Chairman Rick Stanton, Vice-Chairman Tom von Jess, Sean Dionne, Andrew Raucci,  
9 Lisa Gallagher, Little Boar's Head Rep Brian Goode, Select Board Rep James Sununu

10 **ABSENT:** Larry Miller, School Board Rep Lisa Gagalis

11  
12  
13 Chairman Rick Stanton welcomed everyone to the Municipal Budget Committee meeting of October 30,  
14 2023 and called the meeting to order at 6:30 pm, followed by the Pledge of Allegiance.

15  
16 Chairman Stanton said Halloween will be tomorrow night in North Hampton.

17  
18 **OLD BUSINESS:** Review and approve minutes of August 21, 2023 (*see Other Business*)

19  
20 **NEW BUSINESS**

21  
22 **End of year Review/Default Budget – Library**

23 Chairman Stanton welcomed Liz Herold, new Library Director, and said the purpose of this meeting is to  
24 go over how our tax dollars were spent at the Library and what their Default Budget would be.

25  
26 Susan Leonardi, Chair of Library Board of Trustees, thanked Sue Grant, who was Library Director for 20  
27 years and said Ms. Herold will be our new Library Director on November 5, 2023.

28  
29 Ms. Herold said the information was sent out and provided in the Town Report for FY2023 showing:  
30 Budget for past 3 fiscal years, average of approved Budget for FY2024, and the Default Budget. Health  
31 Insurance increases were 25% with everything else defaulted to previous year's approved budget.

32  
33 Mr. Goode said he understood the 25% health insurance increase but the increase shown is well over  
34 50%. Ms. Herold said she is budgeting for 2 Family Plans and one 2-person plan, replacing Sue Grant, and  
35 Ms. Leonardi said they are making sure to budget for a family plan for the new hire. Mr. Goode said the  
36 default is supposed to be last year's budget plus 25% GMR for actual premiums in place now. Ms. Leonardi

37 said the Library is currently advertising for another full-time Librarian after Ms. Herold moved up as  
38 Director. Finance Director Ryan Cornwell explained that the Town is legally obligated by RSA to provide  
39 Health Insurance for the vacant position which ends up in the Default Budget and reflects a demographic  
40 shift above and beyond; same for the Town. He said it is an allowable means to budget in the default and  
41 \$103,104.30 is correct.

42  
43 Ms. Gallagher said the GMR may change; Director Cornwell said that is correct but the difference between  
44 the numbers is less than 1%. He said the GMR was received from Health Trust Board of Directors and he  
45 did not believe the town would see any savings this year. Chairman Stanton asked how utilities turned out  
46 for the year; Director Cornwell said Ms. Grant applied earlier and received a rate of 14.5 cents/kWh; Town  
47 locked in at 16.5 cents/kWh for some meters.

48  
49 Ms. Gallagher questioned expenditures of \$45,000 under Invested Funds with People's Bank, showing a  
50 deposit of \$50,000 from the Foundation. Ms. Leonardi listed all items purchased and installed at the  
51 Library using those funds and said more landscape screening would also be added around the dumpster  
52 and HVAC system for neighbors.

53  
54 **End of year Review/Default Budget – North Hampton School**  
55 School finance Director Matt Ferreira said he has 2 reports: School FY2023 year-end summary and FY2025  
56 Default Budget.

57  
58 **School FY2023 Year-End Summary**  
59 Director Ferreira said the School year-end Unreserved Fund Balance was \$328,177 to be returned to the  
60 Town for 2023-2024 tax assessment; two primary contributors: (1) Unexpended Funds of \$126,520 which  
61 includes savings in Special Education of \$75,000, Student Activities \$27,000, Technology just under  
62 \$14,000, and Transportation (Special Ed and Field Trips) \$66,000. Accounts over budget: Guidance just  
63 under \$29,000, Student Administration at \$15,000 over, and Buildings at \$36,000 over.

64  
65 (2) Revenue Side: Revenues are estimated in fall based on information known at the time: Tuition  
66 Reimbursement, Medicaid Reimbursement, Adequacy Aid, and Special Education Aid; if actual revenue  
67 comes in higher than estimated the balance is returned to the Town. Unanticipated revenues totaled  
68 \$186,370 with \$20,000 in pre-school tuition; \$26,000 in Bank Interest; \$59,000 in Special Ed Aid; \$19,000  
69 extra in Medicaid; \$53,000 refund from NH Retirement System (one-time State refund); plus other smaller  
70 sources. The balance of any Warrants not spent are returned; carry-over encumbrances from year prior  
71 also contribute.

72  
73 Director Ferreira said the \$328,177 was reduced by \$36,000 which the School Board voted to retain in  
74 case of emergency. Ms. Gallagher asked what kind of emergencies; Director Ferreira said possibly to hire  
75 a teacher if enrollment goes up, for buildings, or increased out-of-district placement costs. Mr. Goode said  
76 there is a Trust Fund for special education. Director Ferreira said the School has 3 Trust Funds: Special  
77 Education, Building Maintenance Expendable Trust, and Healthcare Expendable Trust. Chairman Stanton  
78 said taxpayers should know how that \$36,000 will be spent; Director Ferreira said the \$36,000 can only  
79 be spent in the event of an emergency with a Public Hearing and a vote.

80  
81 Mr. Dionne asked about the \$36,000 overspent under Buildings; Director Ferreira said it was from  
82 contracts that came in higher than expected. Chairman Stanton asked how the School got \$25,000 return  
83 on investments; Director Ferreira said the School moved to TD Bank for a better interest rate. Ms.

84 Gallagher asked about the School Resource Officer (SRO), with Warrant for \$115,000 and \$60,000 listed  
85 on the Default. Director Ferreira said that is a cost-share amount with School responsible for 75% and will  
86 be updated next year to \$124,000. He said since the School has not yet hired an SRO, a good amount will  
87 be returned to Town Tax Assessment next year.

88  
89 Director Ferreira said the School had an SRO Warrant for \$15,000 and a CBA Contract for Teachers of  
90 \$255,000, a Long-Term Maintenance Warrant for \$75,000, and contributions to Building Maintenance  
91 Expendable Trust plus discontinuation of Tech Trust Fund for \$50,000. He said the Special Ed Trust balance  
92 is \$432,000, Building Maintenance balance \$100,000, and Healthcare balance \$203,000. Chairman  
93 Stanton asked about trust funds this year; Director Ferreira said the School Board is currently reviewing;  
94 no audit recommendations received this year for the School.

95  
96 Mr. Goode recommended that if the School Board is going to request a Warrant article for Building  
97 Maintenance that they use the \$36,000 fund balance amount versus taxation. Director Ferreira said  
98 technically it could be returned to Unreserved Fund Balance and used to fund the Building Trust. He said  
99 the School is considering their typical Long-Term Maintenance Warrant and has a tentative SESPA  
100 Agreement for paraprofessionals for this year, pending School Board approval.

101  
102 **School FY2025 Default Budget**  
103 Director Ferreira said the School has a variance this year versus prior-year budget primarily due to  
104 Teachers' CBA.

105  
106 Salaries Certified Staff decreased \$49,000 based on actual Staff; increase for Contracted Services of  
107 \$10,784 for ESL Services contracted out (SAU Budget reduced by this amount and included as revenue).  
108 Special Education: most items legally mandated per Student IEP; Salaries Certified Staff reduced due to  
109 actual staffing; Salaries-EA Specialists has increased and Salaries-EA Paras reduced by \$85,000 based on  
110 actual staff. Tuition is for Out-of-District Placement with \$75,000 increase, determined by IEP, contracted  
111 out to school providing special education services.

112  
113 CBA Salary Changes: Salaries Certified Staff: Media is Librarian and Tech is computer teacher; Support  
114 Services: SRO \$60,000 increasing to \$90,000; SAU Services increased by \$13,000; Transportation shows  
115 Special Ed Transportation increased by \$72,850; Bond Issue complete with no further principle/interest  
116 payments and reduced off Default by \$133,000. Benefits: Accounts primarily lower with exception of  
117 Healthcare Insurance; decrease based on actual staff. Health Insurance increase of \$217,000; required to  
118 include CBA employees in that increase, non-union not included.

119  
120 Selectman Sununu asked if the Transportation Contract number is flat due to a flat year-to-year rate or  
121 because the contract is up and not yet reestablished for next year. Director Ferreira said that is last year's  
122 budget and new contract cannot be included in the Default Budget; are in year one of a 5-year contract.

123  
124 **End of year Review/Default Budget – Town**

125 Town Administrator Tully reviewed year-end summary starting with an Operating Budget of \$8,325,628  
126 plus Warrant Articles \$2,856,191 less \$11,181,819, plus prior year encumbrances of \$48,719.75, less  
127 current year encumbrances of \$35,858.70 = \$11,194,680.05. Budgeting expenditures \$11,085,378.28;  
128 budget returned to Fund Balance \$109,301.77 (includes \$105,724.88 in General Fund Operating Budget  
129 and \$3,576.89 in General Fund Warrants). Current Year Encumbrances of \$35,858.70: General Buildings  
130 \$4,811.30; Police \$21,047.4, and \$10,000 Conservation Commission.

131

Municipal Budget Committee Meeting

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132 Budget Revenues: General Fund Budget Revenue \$1,181,819, less General Fund Unassigned Fund Balance  
133 (2022 Town Meeting) \$930,274, minus General Fund Unassigned Fund Balance (ARPA) \$254, 818.88 =  
134 \$9,996,726.12. Budget revenues \$10,505,176.38, revenues in excess of Budget \$508,450.26, later added  
135 to what is being returned to Fund Balance.

136  
137 FY2023 Year-End Summary: Budgeting Revenues: Property taxes \$6,817,806.29; Timber Yield \$25,420.84  
138 interest on taxes \$23,866.60; Business Licenses and Permits \$2,360; Motor Vehicle Permit Fees  
139 \$1,454,458.74; Building Permits 177,110.66; Other Licenses/Permits/Fees \$23,739.70; Shared Revenue  
140 Municipal Aid \$0; Rooms & Meals Distribution \$398,887.94; Highway Block Grant \$103,909.10; Other  
141 State grants \$8,500; ARPA Grant \$234,818.88; Department Income \$12,986.59; Solid Waste Fees  
142 \$12,276.05; Interest Income \$138,063.62; Short-term use rents \$995; fines and forfeits \$11,552.32;  
143 Miscellaneous \$44,671.38. Transfers from: Special Revenues Funds (Police Detail Revolving) \$33,750;  
144 Special Equipment Fire Department \$800,000; Capital Reserve Funds (Accrued Benefits liability) \$2.36;  
145 Information Technology \$0.01; Town Building Fund \$150,000; Municipal Transportation Fund \$30,000;  
146 Total: \$10,505,176.38.

147  
148 Mr. Dionne asked what was covered under Miscellaneous; Finance Director Cornwell said vehicle damage  
149 insurance claims and sale of Town property from the old building which makes up \$37,000 of that amount.  
150 Chairman Stanton asked about money in the Police Revolving Account for new vehicles; Finance Director  
151 Cornwell said \$25,715 as of September 30<sup>th</sup>. Town Administrator Tully said the Town will probably never  
152 get back to self-funding cruisers out of Detail Revolving Account; cost of cruisers has doubled since Covid.

153  
154 Unanticipated Revenues: Brought in \$203,058 and spent back out \$198,003.84 for net change of  
155 \$4,375.65; if we take Budget Return Fund Balance of \$109,301, revenues in excess of Budget of \$508,450,  
156 and unanticipated revenues of \$4,375.65 brings us to \$622,127.88 (change in General Fund Balance); Prior  
157 Year Unassigned Fund Balance of \$1,459,568 minus change in General Fund Balance \$622,127.68 =  
158 Current Year Unassigned Fund Balance of \$2,081,895.88.

159  
160 Town Administrator Tully said because the Budget has not yet been set, increases are not exact, but range  
161 will probably be 8% which is the target rate. He said monies going back (\$622,127) do not include some  
162 money used as overlay for tax rate and there have cases of individuals who have taken legal action against  
163 the Town that will still go into next year and some of that money will need to be utilized. Overlay will be  
164 redone in November when tax rate is set.

165  
166 **Town FY2025 Default Budget:** FY2024 General Fund Approved Budget of \$8,980,101 versus FY2025  
167 Default Budget of \$9,492,223 leaves 70% difference of \$512,122 or 70% including: Personnel Admin  
168 \$29,919 (GMR 25% increase Medical and 4.7% Dental increase); Insurance \$20,307; increase to Workers  
169 Comp \$7,748; increase of Property/Liability \$10,676; increase to Term Life \$977, and increase to Long and  
170 Short-term Disability \$906; Police \$116,899, decrease to Union Salaries of \$7,072, decrease to Holiday Pay  
171 of \$126,872; FICA/Medicare decreases of \$214; decrease in Retirement Contribution \$2,325; Police Union  
172 Salaries are contractual with GMR of 25%.

173  
174 Fire & Rescue \$169,796; Highways & Streets \$42,276 (\$35,000 due to Health Insurance increases); Water  
175 Services/Hydrants \$83,540 for increase in distribution costs for hydrants per Aquarion Water 2023 rates  
176 and partly from an agreement between Water Company and PUC which the Town is disputing, hope to  
177 have Water Commission Chairman at next meeting for explanation of increase. Debt Service Principal up  
178 \$26,385.

October 30, 2023

179

180 Town Administrator Tully said the 2 drivers in Default are: Health Insurance up \$400,000, and Hydrants  
181 up \$84,000, Prop/Liability/Workers Comp up \$20,000; and said the extra 5% added by Health Trust will  
182 continue for the next 4 years to rebuild their claims fund. Chaiman Stanton suggested contracting with a  
183 company for hydrants; Town Administrator Tully said that has been looked into and said the Town is not  
184 getting the support from PUC they would like to see. He said Budget Books are ready in the Town Office;  
185 School Budget Books available November 8, 2023.

186

187 **ANY OTHER ITEM THAT MAY LEGALLY COME BEFORE THE COMMITTEE**

188

189 **Minutes of Budget Committee Meeting of August 21, 2023**

190 **Motion:** Selectman Sununu moved to approve the Meeting Minutes of August 21, 2023 as presented;

191 **Seconded:** Vice-Chair von Jess; **Vote:** 6-0 with 1 abstention.

192

193 **PERIOD OF PUBLIC COMMENT** – None

194

195 **Next Budget Committee Meeting:** November 20, 2023

196

197 **ADJOURNMENT**

198

199 **Motion:** Vice-Chair von Jess made a motion to adjourn the meeting; **Seconded:** Mr. Goode; **Vote:** All in  
200 favor 7-0.

201

202 Chairman Stanton adjourned the Municipal Budget Committee Meeting at 7:45 pm.

203 Respectfully submitted,

204 Patricia Denmark, Recording Secretary