



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

DECEMBER 17, 2018 7:00 PM

NORTH HAMPTON TOWN HALL

MEMBERS PRESENT: Chairman Jonathan Pinette, Vice-Chairman/School Board Rep James Sununu, Rick Stanton, Tamara Le, Laurel Pohl, Charles Gallant, Frank Ferraro, Select Board Rep Larry Miller

EXCUSED: Little Boar's Head Rep Brian Goode

ALSO PRESENT: School Business Administrator Matt Ferreira, School Superintendent William H. Lupini

AGENDA

Chairman Jonathan Pinette welcomed everyone to the December 17, 2018 North Hampton Municipal Budget Committee Meeting and called the meeting to order at 7:04 pm, followed by the Pledge of Allegiance.

Chairman Pinette stated that Brian Goode was excused.

OLD BUSINESS – None

NEW BUSINESS

Approval of the Minutes of the December 3, 2018 Budget Committee Meeting

Motion: To approve the minutes of the December 3, 2018 Budget Committee Meeting.

Motioned: Vice-Chair Sununu

Seconded: Mr. Miller

Vote: Approved by a vote of 8-0

2ND REVIEW OF SCHOOL DISTRICT PROPOSED FY2020 BUDGET

Collective Bargaining Agreement (CBA)

School Business Administrator Ferreira said the Collective Bargaining Agreement (CBA) was a collaborative negotiation process between the Teachers Union and the School Board, and said the Seacoast Educational Association ratified the contract at the end of November and each School Board ratified individually. He said the contract was for 4 years with a yearly 2.75% cost-of-living adjustments. He said one major change agreed to was the removal of Blue Choice high-cost Health Insurance plans to take effect in the second year, as well as allowing non-benefit eligible employees to participate at their own expense and eliminate spousal opt-out payments.

Business Administrator Ferreira said they had also adjusted retirement stipends and increased accrued sick-day payouts. He said teachers who changed schools within SAU would retain their longevity and sick leave benefits, and changes were also made to personal leave and course reimbursement. He said the total financial implications to North Hampton would be \$146,926 for the first year, \$137,561 for the second with changes to healthcare, and \$156,626 for the third and \$145,481 for the fourth. He said if this CBA failed there would be concern about staff morale, retaining teachers in SAU21, and keeping the district competitive.

Business Administrator Ferreira said their main competitors were SAU16, SAU50, and Portsmouth, and Superintendent Lupini said there was clear erosion in their comparison to some of those districts. Ms. Le asked what portion of North Hampton teachers were at top-of-scale now, and Superintendent Lupini said SAU-wide about 60%. Mr. Stanton asked if information on the inflation rate was available for any 4-year period.

Business Administrator Ferreira stated that there was a change to the School Budget since the last School Board meeting. He said they had an SAU-wide initiative to identify salaries that were not competitive, and found that the salary for the School Nutrition Director in North Hampton was significantly lower. He said a 12-step salary system based on years of experience was created which reflected a \$3,000 raise approved by the School Board. Ms. Pohl asked why there was a difference in the 2.75% cost-of-living rate in the contract versus the 3.4% general increase. Business Administrator Ferreira said the 2.75% was for union teachers, and all non-union were receiving a 3.4% increase in line with inflation.

Budget Committee Questions

Business Administrator Ferreira answered the question about why the elimination of a salary on page 7 did not eliminate those costs from the Default Budget. He said after consultation with legal counsel they did not make the change to the Default Budget, as the position was redefined and did not constitute the elimination of a position. Vice-Chair Sununu clarified that they could still have the person as a substitute paid out of the General School Budget.

Business Administrator Ferreira said the increase of the costs transferred between page 16 and 23 was due to the existing position originally being funded by an Idea Grant and moved to the Operating Budget. He said the remaining \$47,000 was to provide Behavioral Support and ABA Instruction and included the hiring of a BCBA and educational associates rather than contracting those services out. Mr. Ferraro said he included the BCBA in his numbers and that did not account for the \$47,000 difference. Vice-Chair Sununu said the difference was under benefits and Mr. Ferraro said the benefits were more than the salaries. Business Administrator Ferreira said that Educational Associate position was fulltime and eligible for benefits which did exceed the salary.

Vice-Chair Sununu explained that the \$103,000 difference Mr. Ferraro was asking about was the \$88,000 for the BCBA plus a net \$15,000 change on page 23. He said those contractual services netted out to \$176,000 in the proposed budget versus \$161,000 now with a net increase to Contracted Services, and said the \$56,000 from the Idea Grant was added in. Business Administrator Ferreira addressed the question on page 26 with regard to the 2018/19 budget showing \$4,500 but the spreadsheet showing \$4,950. He said they had voted and approved \$4,500 but the actual amount needed was \$4,950 and he had adjusted this year to reflect actuals.

Mr. Ferraro said the recent purchase on page 126 of a truck and plow was a lease-purchase over 3 years and should have been on a Warrant Article. Business Administrator Ferreira said historically school districts funded out of their operating budgets. Mr. Miller agreed that people should be able to vote on the issue and it should be on a Warrant Article and agreed that it was a Capital item of \$49,500. Ms. Le said there was precedence and history that the School Board always assumed within their capital budget any item under \$50,000. Over that amount they would go out to warrant.

Motion: To reduce the line item to \$1.00 with the recommendation that the School Board put this as a Warrant Article.

Motioned: Mr. Ferraro

Seconded: Mr. Miller

Vote: Approved by a vote of 6-1, with 1 abstention

Business Administrator Ferreira explained why the Default Budget was higher than the Operating Budgets for FY2018/19 and FY2019/20. He said the Default Budget for the accounts listed on pages 140, 141, 143, and 144 were based on last year's staffing prior to any restructuring or re-definition of positions but at this year's rates. He said as far as class sizes, there was 1 fulltime case manager and 4 educational associates for grades 4 and 5, and said for Special Education in grade 6 there were 3 educational associates, one of which was shared with 7th grade. As far as the number of teachers, Superintendent Lupini said several years ago they had moved to a model where there were 3 teachers at each grade level and they were transitioning to a model with 4 teachers for 7th and 8th grades. He said the change from 2 to 3 teachers for 6th was due to the need that each teacher be licensed in a particular subject area. Vice-Chair Sununu explained that 6th grade followed a middle school structure, whereas in 5th grade and lower the teacher instructed in all subjects.

Business Administrator Ferreira explained that the increase between the FY2018/19 final budget of \$8,765,643 and the approved budget listed on the School Board spreadsheet of \$8,824,847 was the result of a vote at the Deliberative Session to increase the budget. He said the figure on the spreadsheet of \$8,824,847 included the CESPAs Warrant Article that was approved adding \$29,282.

Mr. Stanton asked why the 7th and 8th graders were no longer going on the overnight trips to New York City and Washington, DC. Business Administrator Ferreira said because of feedback from the teachers and potential liability for chaperoning the trips. Vice-Chair Sununu said the School Board decision was based on the Middle School staff not wanting to participate, and without the teachers there to provide feedback the was no longer a foundation to enhance the curriculum. Ms. Le disagreed and said people in the community had reached out to her and that some parents were disturbed by the decision. Superintendent Lupini said he met with the staff and the answer for this year was no, but he would follow up on using a different mechanism for the basis of the trips moving forward.

Motion: To approve the School District Budget for FY2019/20 of \$9,131,074.

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Motioned: Mr. Ferraro
Seconded: Mr. Stanton

Motion Withdrawn: Ms. Le said she still had line-item questions, and Mr. Stanton and Mr. Ferraro withdrew their motions.

Ms. Le questioned Speech Services on line 51 and asked what had warranted the position being reduced and losing health benefits as well as the Enrichment Coordinator. Vice-Chair Sununu said the position was being redefined as Education Director rather than enrichment and there was only a part-time need based on students. Ms. Le said SPED Transportation costs were up 74% but Out-of-District Tuition had dropped 64%. She also questioned that Technical Services no longer had an Integration Specialist and Superintendent Lupini said there was currently a substitute and they were trying to fill the position permanently.

Motion: To approve the School District Budget for FY2019/20 of \$9,131,074.

Motioned: Mr. Ferraro
Seconded: Mr. Stanton

Vote: Approved by a vote of 7-1

PERIOD OF PUBLIC COMMENT – None

NEXT MEETING: Thursday, January 3, 2019 to review School Warrant Articles.

Vice-Chair Sununu said a list of proposed School Warrant Articles was included in the pages provided by Business Administrator Ferreira and was approved by the School Board.

Motion: To set the Public Hearing for January 7, 2019 with a backup date of January 14, 2019 at 7:00 pm.

Motioned: Vice-Chair Sununu
Seconded: Mr. Stanton

Vote: Approved by a vote of 8-0

ADJOURNMENT

Vice-Chair Sununu made a motion to adjourn the meeting which was seconded by Mr. Gallant.

The motion was approved by a vote of 8-0 and the Budget Committee Meeting was adjourned at 9:01 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary