



**TOWN OF NORTH HAMPTON, NEW HAMPSHIRE  
MUNICIPAL BUDGET COMMITTEE  
PUBLIC HEARINGS**

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

**NORTH HAMPTON TOWN HALL**

***DRAFT MINUTES***

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

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

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

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

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

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

**NEW BUSINESS**

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

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

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

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

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

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

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

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

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

### **Recommendation of School Warrants**

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

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

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

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

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

### **Review and make Recommendation of Town of North Hampton Warrant Articles**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article 10: Contribution to EPA Stormwater Capital Reserve Fund: to raise and appropriate through taxation the sum of \$20,000 for deposit into the EPA Stormwater Capital Reserve Fund; purpose is to implement MS4 project required by unfunded Federal Mandate of EPA to prevent harmful pollutants being washed into local water bodies; December 31, 2023 fund balance \$28,874.

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

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

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

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

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

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

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

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

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

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

#### **Recommendation of Town Warrants**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**PERIOD OF PUBLIC COMMENT**

**ADJOURNMENT**

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

Respectfully submitted,

Patricia Denmark, Recording Secretary