



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

NOVEMBER 1, 2021 6:00 PM

NORTH HAMPTON TOWN HALL

Approved November 29, 2021

MEMBERS PRESENT: Chairman Rick Stanton, Vice-Chairman Brian Goode, George Chauncey, Frank Ferraro, Sean Dionne, Andrew Raucci, Charles Gallant, Select Board Rep James Sununu

ABSENT: School Board Rep Tom Von Jess

ALSO PRESENT: Town Administrator Michael Tully, Finance Director Ryan Cornwell

AGENDA

Chairman Rick Stanton welcomed everyone to the November 1, 2021 North Hampton Municipal Budget Committee Meeting and called the meeting to order at 6:00 pm, followed by the Pledge of Allegiance.

OLD BUSINESS

Confirm Calendar2 Changes

Chairman Stanton asked for a Motion to accept the Calendar2 changes which will be posted as official and annotated at the bottom.

Mr. Ferraro made a motion to approve the changes to Calendar2 which was seconded by Vice-Chair Goode. Motion was approved by a vote of 8-0.

Approval of Minutes

Minutes of August 23, 2021

Mr. Sununu made a motion to approve the August 23, 2021 minutes as presented; seconded by Vice-Chair Goode; Motion approved by a vote of 8-0.

Minutes of April 22, 2021

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Mr. Sununu made a motion to approve the April 22, 2021 meeting minutes as presented; seconded by Vice-Chair Goode; Motion approved by a vote of 8-0.

Minutes of April 5, 2021

Mr. Sununu made a motion to approve the April 5, 2021 meeting minutes as presented; seconded by Vice-Chair Goode; Motion approved by a vote of 8-0.

Minutes of January 19, 2021

Vice-Chair Goode made a motion to approve the January 19, 2021 meeting minutes as presented; seconded by Mr. Dionne; Motion approved by a vote of 8-0.

NEW BUSINESS

Review Year-End Spending Report & FY2023 Default Budget – North Hampton School

FY2021 Year-End Summary

School Business Administrator Matt Ferreira said auditors closed the books for FY2021 with an Unreserved Fund Balance of \$371,627 returned to offset assessment for FY2021-2022; Winnacunnet returned \$1.6 Mil with \$250,000 to North Hampton. The 2 primary funds are unexpended fund balance and excess revenues and there were fluctuations due to COVID, with some funds over-expended and some under-expended.

Mr. Ferreira said for Revenue they anticipate receiving funds from various sources: property taxes, State Adequacy Aid through SWEPT, Medicaid reimbursement, and Federal Stimulus funds; unanticipated funds: State funds through SPSRF, donations, Special Education Aid, more Medicaid reimbursement than expected. COVID also affected health insurance premiums resulting in a rebate of \$39,000 as well as other insurance rebates, funds not expended from Unreserved Fund Balance, and excess revenues, as well as carryover from prior year.

Mr. Ferreira reviewed Expendable Trust balances: Special Education \$363,000, Building Maintenance \$143,000, Health Care \$199,000, Technology \$15,600, which act as contingency. He said a \$27,000 withdrawal was made from long-term maintenance for Homeland Security projects; \$25,742 in encumbrances carried forward from FY2021 to 2021/2022; School Nutrition had a transfer from General Fund to Food Service of \$36,414; intent for Food Service is to be budget neutral and that deficit is budgeted every year.

Mr. Ferreira said for this School Year all meals will be free to all students from extension of Federal Government funding. The Security Audit revealed policies need updating, an ongoing project, and a check deposited late. Chairman Stanton said he was concerned that first responders need to know about security deficits, and Town Administrator Tully said Police and Fire review security issues with the school and are aware of any deficiencies. Mr. Ferreira said an SAU21 Emergency Response Committee was formed headed by Assistant Superintendent.

Default Budget for School FY2022-2023

The Default Budget is the prior year budget increased by Debt Service, contracts, and other obligations, and reduced by any one-time expenditures or elimination of a position. Mr. Ferreira said the spread sheet shows the Default Budget versus prior year and shows a variance and said he would touch on the accounts with increase or decrease and the reason.

Contractual agreements: 2 CBAs as well as CESPAs; Contracted Services: an ESOL teacher contracted by SAU; Special Education: significant increase of \$117,000 for out-of-district placement; Guidance, Health, and Speech Services: teachers are regular union CBA; Importance of Instruction: \$2,000 reduction for one-time expenditure; Education Media & Technology: CBA requirements; slight increase under Services SAU Staff which is budgeted directly into Default under districts; Equipment: reduction of \$12,000 (one-time expenditure); Transportation including Spec Ed Transportation: \$57,000; slight change in Debt Service; Employee Benefits CBA and CESPAs adjustments. Mr. Ferreira said the School Board has not yet approved the School Budget and the Default could change.

Vice-Chair Goode questioned Default Account 411 Salaries/Certified Staff which decreased by \$86,000; Mr. Ferreira said he would check with School Board. Mr. Ferraro asked about the Special Education Salaries/Certified Staff increase of 9% and Mr. Ferreira said 2.75% COLA is added as well as steps and the increase was due to staffing changes.

Review Year-End Spending Report & FY2023 Default Budget – North Hampton Library

Library Trustee Kathleen Kilgore reviewed year-end and said there was not much for salaries last year due to COVID; there was much more demand for digital media through the Library and they had to increase their bandwidth. With the move the Board entered into contracts for better pricing on digital media; some repairs on building and facilities were higher than expected to get them through to the new building; changing computer services to go into new building.

Vice-Chair Goode said on the first page of the presentation the Budget went \$300 over the approved Budget which cannot be done. Ms. Kilgore said the Library is part of the Town's Budget and the Town cannot go over their bottom-line. Vice-Chair Goode said the Library is now separating from the Town Budget and has to act the same. Mr. Sununu asked for more details on significant increases and over-expenditures: such as Library supplies \$8,000 over; media \$55,000 over a \$31,000 Budget; AD materials budgeted at \$2,200 with \$37,900 spent.

Ms. Kilgore said the Default is our FY2022 Budget modified by any contractual obligations; no employees are under contract and salaries were flat lined across from FY2022 to FY2023; only changed item was Healthcare Costs.

Review Year-End Spending Report & FY2023 Default Budget – Town of North Hampton

FY2021 Operating Budget

Town Administrator Tully said the Budget started with \$7,426,422; General Fund Warrants \$980,500; total appropriations General Fund Budget \$8,406,922; add prior year (FY2020-2021) encumbrances \$21,380.94, less current year (FY2021-2022) encumbrances \$20,633.32, General Fund Expenditures

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Budget = \$8,407,669.62; budgetary expenditures -\$8,199,740.03; budget returned to Fund Balance = \$207,929.59 (\$131,334.53 General Fund Operating Budget and \$76,595.06 General Fund Warrants).

FY2021 Current-Year Encumbrances: General Government Buildings \$8,906.96; Cemeteries \$4,160; Police \$7,567.36; total \$20,633.32. Revenue Budget planned \$8,406,922 less \$190,000 of Unassigned Fund Balance, for adjusted General Fund Revenue Budget of \$8,216,922; Budgetary Revenues \$8,473,012.82, revenues in excess of Budget 256,090.82.

Sources of revenues for the Town include Rooms & Meals distribution, Property Taxes of \$6,114,376.40, Motor Vehicles \$1,432,404.52 and Highway Block Grant; also unanticipated revenue of \$161,000. Budget numbers returned to Fund Balance approximately \$207,000, Revenues about \$256,000, for total Fund Balance of \$439,000 (unaudited); thinking \$1.2 Mil in Fund Balance. Select Board policy is between 5% and 12% with target of 8% and this puts us at 9%.

FY2023 Default Budget

Town Administrator Tully said the FY2022 approved Operating Budget of \$7,694,000 in Default Budget for FY2023 came in at \$7,893,000, for a change of 2.59%. Changes: Personnel Administration increase of \$5,866 (Health Insurance); Insurance \$29,759 increase due to Workman's Comp; Police increase of \$80,111 for salaries/health insurance; Fire & Rescue \$74,353 salaries/health insurance/retirement; Highway up \$17,814; Debt Service Principal up \$13,975; Debt Service Interest less \$13,754 for total increase of \$199,124 for Default Budget.

ANY OTHER ITEM THAT MAY LEGALLY COME BEFORE THE COMMITTEE

Mr. Ferraro said there is a State Program to help with property taxes for low-income residents, which he researched at NH Department of Revenue Administration, and asked that reference information be provided to residents.

Town Administrator Tully said Budget Books are completed and available in Town Office; will be moved to Fire Station at close of business today. Mr. Dionne thanked Chief Lajoie for the huge savings on the Ambulance purchase.

PERIOD OF PUBLIC COMMENT

Next Meeting: November 15, 2021

ADJOURNMENT

Vice-Chair Goode made a motion to adjourn the meeting which was seconded by Mr. Ferraro. Chairman Stanton adjourned the Budget Committee Meeting at 7:02 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary