



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

**NOVEMBER 15, 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, School Board Rep Tom Von Jess

LIBRARY TRUSTEES PRESENT: Kathleen Kilgore, Director Sue Grant, Emily Creighton, Liz Herold

ALSO PRESENT: Town Administrator Michael Tully, Finance Director Ryan Cornwell, Police Chief Kathryn Mone, Fire Chief Jason Lajoie

**AGENDA**

Chairman Rick Stanton welcomed everyone to the November 15, 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**

**Approval of the Minutes of November 1, 2021**

Minutes not received; postponed to next meeting.

**NEW BUSINESS**

**First Review of Town Proposed FY2023 Operating Budget**

Town Administrator Michael Tully said the FY2022 Town Budget is \$7,694,313, and proposed FY2023 Budget is \$8,093,279 for an increase of \$398,000 or 4.19%, which includes proposed Library Budget as submitted. Difference between Operating Budgets, Defaults to Proposed: FY2023 Default Operating Budget \$7,893,437 (may change with Library), FY2023 Proposed Operating Budget \$8,093,279, for difference of \$199,842 or 2.53%; FY2022 Default to Proposed Operating Budget difference of 2.59%.

Differences driving costs: Default Budget \$7,893,437; Salaries/FICA/Medicare/NHRS increase of \$130,181; Library increase \$36,542; Social Services decrease -\$25,000 (into Warrant Article); Overtime increase \$23,665; Vehs/Equip/Maint/Rental increase \$22,519; Legal down -\$15,000; Trng & Educ down -\$14,200; Solid Waste Disposal increase \$9,350; Highway/Other increase \$7,470; Data Proc/Lic/Contract Services increase \$6,750; Police/Other increase \$6,350; Electrical increase \$4,350; Fire/Other increase \$3,227; Other increase \$3,008; for Proposed Operating Budget of \$8,093,279.

Town Administrator Tully said the pie charts show where money is spent with Personnel Costs 77%, Contractual/Statutory Obligs 16%, Fixed Overhead costs 2%, and Other Spending 5%. He presented a historical chart showing percent increases over the past 10 years from 2013 to 2022.

Questions: Town Administrator Tully said Personnel costs include COLA; Mr. Raucci asked for clarification on tipping fees; Mr. Von Jess asked about reduction in Training costs and Town Administrator Tully said historically they are not seeing that spent; Mr. Gallant asked if Fire increase was due to physicals which Town Administrator Tully verified; Mr. Dionne asked if the \$500/month under Data Processing for IT Desk Services was for PCG, and Town Administrator Tully said it was included.

Mr. Ferraro asked about the request to provide Cable/Internet/Phone spending for each department; Town Administrator Tully said Finance Director Cornwell broke it down by departments to see services and costs. Finance Director Cornwell said when 2022 ended the cost was just south of \$12,000 for all of those services across 8 locations with \$1,500-\$2,000 in savings by department heads. Town Administrator Tully said the bulk of the costs are internet services; new phone system to be paid for by grant, with some charges in Budget going forward. There was discussion about alternate internet services (Consolidated), Cable TV plans, and Town cell phone service.

Vice-Chair Goode asked what the Overtime amount pertained to; Town Administrator Tully said a big thing is increased callback in the Fire Department, but numbers are town wide. Mr. Ferraro asked about a CBA on Warrant for March; Town Administrator Tully said he believed there would be a Collective Bargaining Agreement on the Warrant for the Police Department.

Vice-Chair Goode asked about the GMA 7.4% Health Insurance increase and how it affects the Default; Town Administrator Tully said it is the same in the Default. Finance Director Cornwell said the Default Budget has to be set by the last week of January, but GMA is not known until March; when actual GMA comes in the amount is adjusted. Mr. Gallant asked about money returned by Health Trust; Town Administrator Tully said it will be about \$50,000 once received, with a percent going back to employees and remainder stays as a credit to Health Trust.

Mr. Ferraro asked if Personnel Administration was a catchall for merit/health/dental; Finance Director Cornwell said just medical/dental. Town Administrator Tully said line 192 is 2% of last year's salaries for merit raises and PA Health Insurance is just for Administration. Mr. Ferraro questioned 4194-General Government Buildings/Custodial Salaries, and said current is \$6,214/yr and proposed is \$13,277/yr, with different salary figures in other parts of the spreadsheet. Finance Director Cornwell said our custodian is hourly and we need to annualize the salary; he increased from 8-9 hrs to 16 hrs and \$13,277 is current rate at 16 hours plus COLA.

Mr. Ferraro said regarding 4440-Social Services it is incumbent on the Budget Committee to set the Budget for that line item to go to Deliberative. Town Administrator Tully said the Select Board feels people should

have more of a say in a Warrant Article. Selectman Sununu said he did not feel Social Services should be in the Town Budget and the Board decided to take it out for more clarity. Chairman Stanton agreed and said this is not essential to running the Town and a Warrant gives taxpayers the choice.

Town Administrator Tully said these are valid programs our community uses, and each has to show a public good to the Town; this is merely a decision that the choice should be up to the voters. Mr. Dionne asked what the \$25,000 is to be spent on; Town Administrator Tully said charities we have given in the past with the amount capped to \$25,000.

**Motion:** Mr. Ferraro made a motion to add \$25,000 back to the Budget under line 4440-Social Services; seconded by Vice-Chair Goode; Motion fails by a vote of 4-5.

Mr. Ferraro asked that the narrative for Police Department Budget Guide be clarified. Police Chief Kathryn Mone said that holiday line reflects only paid holidays, with time-and-a-half covered in my Overtime Budget; the Police Department gets one check with extra pay for actually working the holiday.

Mr. Ferraro asked to meet with Finance Director Cornwell for clarification on the Recreation Department Revolving Fund as credits and debits do not seem to line up. Mr. Gallant asked about overtime with increased call volume in Police and Fire and asked if things that need to be covered are being covered for public safety. Town Administrator Tully said each Department Head has to make decisions on what shifts and hours are covered and draw the line on what is reasonable for a budget.

Police Chief Mone said juggling and decisions need to be made, and the main reason for overtime in the Police Department over the past few years has been because of vacancies and having to fill whole shifts with overtime rates at a significant cost. She said the department has been fully staffed for the last year and that is how we see being able to reduce from past expenditures; the Department is also exploring part-time officers.

Fire Chief Jason Lajoie said it is a balancing act, with callback 25-28 hours/week; budgeted for 27 hours, but actually seeing callback to be 35-40 hours/week. He said he put an extra \$12,000 to try to meet the need but understand I had to bring that back out and will be trying carefully to make it work. Town Administrator Tully said Fire Department Overtime in this Budget is just under 9% and was originally 18%.

Vice-Chair Goode asked Finance Director Cornwell if he could add another line item on the historical data for Warrant Articles passed (dollar amount), to which he agreed. Vice-Chair Goode asked if any of the older bonds under Debt Service could be retired; Town Administrator Tully said the Bond Bank does not allow it.

Mr. Dionne asked about the \$259,000 cost of Fire Hydrants. Town Administrator Tully said they have argued the price for years, and the Water Company claims it is not just the hydrant but all upgrades and maintenance of pipes to provide that amount of water. He said certain members of our community live outside the hydrant district yet pay for it in their taxes; the Water Commission has argued the way it is calculated, and they are going through a rate case right now.

#### **First Review of Library Proposed FY2023 Budget**

Library Trustee Kathleen Kilgore said she will be presenting the FY2023 Library Budget with Director Sue Grant; also present Assistant Director Liz Herold and Alternate Trustee Emily Creighton. She said the

Library Budget represents 6% of the Town Operating Budget and a revised budget was sent out since the last meeting. She reviewed the questions/comments sent in by Budget Committee members:

Ms. Kilgore said there was a comment that Operations & Supplies was \$24,000 over spent funds in this year's Budget and a request for details of Library expenditures and supplies. She said actual spent for 2021 was \$1,450 for new phone system for new building and \$1,244 for Cloud communications to go with that system; new book drop for \$3,807; \$1,650 marketing; \$950 in air cleaners; printers and ink \$300; new convection oven for new Library \$400; Zoom \$434; computer costs \$8,722; Creation Station and Children's Room \$1,949; \$3,000 on paper supplies; with total at \$24,000.

Selectman Sununu asked about line 16197-Computer Systems for FY2022, and said the Budget was \$12,000, a significant increase over the \$3,500 for prior year; but in FY2021 an additional \$12,700 was spent over what was budgeted and asked if that was in addition to the \$12,000 FY2022 budgeted amount. Ms. Kilgore said prior to January 2020 IT was handled inside with a part-time employee, the Library then decided to go with PRS Group, and the figure provided is an estimate of our needs. For FY2023 \$16,197 is budgeted for computer systems based on the \$12,000 (FY2022) plus \$4,200 as an estimate.

Chairman Stanton said the Committee is looking for is the actual figures the Library spent for FY2021, FY2022, and what is budgeted for FY2023. Mr. von Jess said computer services and equipment together in the same line is confusing, and Ms. Grant said she revised that page and also revised Health Insurance with the GMA figured in; for computers there is also a rotating replacement schedule.

Ms. Kilgore moved on to Library Supplies and the question of some FY2022 supplies being purchased with FY2021 funds, and whether this line item would continue forward at double its historical rate. Ms. Kilgore said with the new building they do not yet know if there will be savings here and said most supplies were paper supplies and some book processing supplies. Chairman Stanton said the Committee is looking for what you are proposing to spend in the future.

Ms. Kilgore said a question was asked about why the Library thinks maintenance costs will double in the new building and asked about preventative maintenance. She said the Library project is now in completion phase and BPS will be submitting a closed-out package to the Library which includes all manuals for all mechanical systems, site plans for the whole building, and where everything is laid out; once these are received a preventative maintenance plan will be created and put in place. Selectman Sununu said he had asked the question to determine if it was one of the reasons for increased costs here.

Mr. von Jess said the challenge with the presentation is the formatting and process, and no standard accounting principles being applied here makes it harder to understand. Ms. Grant said the Library does not have an accountant or a fulltime bookkeeper and she keeps all the records; a part-time bookkeeper works 2 hours/month.

Emily Creighton said at the last Budget Committee meeting it was stated that the Library overspent their FY2021 Budget and said the Library has never overspent and the \$300 was an error. Vice-Chair Goode said all the Committee can go by is the information provided to us from the Library, and said the Committee never received any information stating there was a mistake. Chairman Stanton said he realizes this is new for the Library trying to get it on a spreadsheet to integrate with accounting systems already set up. Ms. Kilgore suggested perhaps working with Ryan Cornwell to get the format correct. Town Administrator

Tully said he would be happy to provide assistance. Mr. von Jess encouraged Mr. Tully to not only look for formatting but also for budget lines.

Mr. Ferraro recommended that if the Library believes more bookkeeping hours are needed, they should come back at the next meeting with a request to increase the Budget by a specific dollar amount to that purpose.

Ms. Kilgore said a question was asked about how often the previous building was cleaned, and she said twice/week at \$639.33/month on contract, and they will continue twice a week in the new building and Ms. Grant said the contractor increased his estimate for the new building and the cost will go up to \$500/week; \$20,000 in the FY2023 Budget for custodian but should be \$26,000. Mr. Dionne said in the latest revision the cost is \$18,800.

Ms. Kilgore said a question was asked if the databases used by the Library were subscription items or one-time purchases; she said it depends on the database and some are by use; Ms. Grant said the ones by use are capped. Ms. Kilgore said the last question asked for a description of the \$36,000 AV Systems referenced in FY2021 actual expenditures. She said the \$36,000 was for a contract with Audio Video Experience (AVE) to outfit the new Library with state-of-the-art audio/video. Ms. Grant said there is \$25,000/year for a maintenance plan with AVE; Mr. von Jess said maintenance is different from licenses and hardware and the Committee needs to understand all of those.

Selectman Sununu said some licenses or digital media were paid for 2 years with FY2021 funds and asked if they would go forward in 2-year increments; Ms. Kilgore said they would like to make that a flat line. Selectman Sununu said under Staff/Hourly the original proposed Budget last year was \$97,000, but actual for FY2022 is up to \$120,000 and asked if it was due to increased hours or wages. Ms. Grant said it reflects the change in our structure to 2 fulltime staff members and a part-time Youth Librarian moved to Staff Hourly. Vice-Chair Goode asked that the Committee get a detail on that.

Mr. von Jess said savings from part-time IT should be reflected and COLA should match the Town to make sure we all use the same data set. Selectman Sununu said the regional CPI is what is used as a basis for budgeting COLA and advised the Library to stick with the same month every year.

Chairman Stanton asked that the Library revise their Budget sheets with all the information gathered tonight and make changes by the next meeting, but Budget Committee members argued this is the Budget submitted and there should be no revisions made. Mr. Ferraro advised the Library to make recommendations to the Budget Committee ahead of the next meeting for any changes. Vice-Chair Goode said the Trustees have been putting together budgets for decades and this is not the first; the process now is coming to the Budget Committee and not going directly to the Town.

Ms. Kilgore said figures in the Budget we have given you will stay as they are, and this is the budget of the Budget Committee to move on. Chairman Stanton said the next review of the Library will be Monday, December 6, 2021.

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

#### **PERIOD OF PUBLIC COMMENT**

Municipal Budget Committee Meeting  
November 15, 2021

**Next Budget Committee Meeting:** November 15, 2021

**ADJOURNMENT**

Vice-Chair Goode made a motion to adjourn the meeting which was seconded by Mr. Chauncey.  
Chairman Stanton adjourned the Municipal Budget Committee Meeting at 8:20 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary