



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

**OCTOBER 7, 2019 6:30 PM**

**NORTH HAMPTON TOWN HALL**

***Approved Minutes***

MEMBERS PRESENT: Vice-Chairman/School Board Rep James Sununu, Select Board Rep Larry Miller, Rick Stanton, George Chauncey, Frank Ferraro, Little Boar's Head Rep Brian Goode (Chairman Pinette arrived at 7:00 pm)

EXCUSED: Tamara Le, Laurel Pohl

ALSO PRESENT: School Business Administrator Matt Ferreira

**AGENDA**

Vice-Chair James Sununu welcomed everyone to the October 7, 2019 North Hampton Municipal Budget Committee Meeting and called the meeting to order at 6:34 pm, followed by the Pledge of Allegiance. He said that Chairman Pinette was delayed and may join them later.

**OLD BUSINESS** – None

**NEW BUSINESS**

**Approval of the Minutes of the Budget Committee Meeting of September 30, 2019**

Vice-Chair Sununu stated that the Budget Committee Meeting minutes of September 30<sup>th</sup> were still being prepared and would be postponed until the next meeting.

**School FY2018/2019 Financials Year-End Review**

School Business Administrator Matt Ferreira said the School FY2018/2019 year ended with an unreserved fund balance of \$150,667 which was returned to the Town to offset the FY2020/2021 assessment, and said the 5-year average was approximately \$91,000. He said this was determined primarily by unexpended Operating Budget funds of \$59,434, as well as Special Education items, Technology Salary, and Health

Insurance. He said the account over-budget that reduced this amount was Special Education Professional Services. He said another contributing factor was revenue taken in, and based on the estimated revenue figure, they saw a surplus of special education aid, pre-school tuition, bank interest, and Medicaid reimbursement and rebates. He said other small items included unexpended Warrant Article funds and unpaid carry-over encumbrances.

School Business Administrator Ferreira said the School District had 4 Expendable Trust Funds: (1) Special Education with \$309,584, which acts as a contingency with a target of \$300,000; (2) Building Maintenance with a balance of \$167,720 and target of \$150,000; (3) Health Care at \$196,544 with target of \$200,000; and (4) Technology with \$15,420. He said there were withdrawals from the Building Maintenance and Special Education Expendable Trusts, and a withdrawal from the Energy Improvements Trust for natural gas conversion.

Mr. Stanton asked about the \$145,000 over-expenditure for Special Education, and School Business Administrator Ferreira said the current School Year was also over-budget and that was the prognosis going forward as they budget for current needs. Mr. Stanton asked the basis for the interest funds, and School Business Administrator Ferreira said it was General Fund interest during the 2018/2019 School Year. He said in the March 2019 Ballot, the Town approved \$75,000 in funding for the Special Education Expendable Trust and \$25,000 for Building Maintenance. He said they also dissolved the Energy Trust and the Building Expense Capital Reserve Fund and returned the money to the Town

School Business Administrator Ferreira said the 2018/2019 Budget contained 3 Warrant Articles: (1) first year of a 2-year CESA Collective Bargaining Agreement (CBA) in the amount of \$29,282; (2) annual long-term maintenance Warrant Article expended in the amount of \$27,500; and (3) natural gas conversion Warrant Article supplemented by the Expendable Trust Fund with a total of \$375,000. He said for the end of the fiscal year there might be some open POs and bills not yet paid which were carried forward as encumbrances. He said past-year encumbrances included \$11,432 General Fund encumbrances carried forward to FY2019/2020.

School Business Administrator Ferreira said there were 4 Budget Transfers in FY2018/2019: (1) \$3,000 from Regular Education Certified Staff into Software/Licensing for PowerSchool software; (2) \$11,600 from Regular Education Salaries Certified Staff into Salaries Director/Manager; (3) \$20,500 from Tuition Accounts to Special Educations Salaries Certified Staff; and (4) \$25,000 from fuel, FICA, Retirement, and admissions into the Legal Account. Mr. Ferraro asked about the increase in Salaries Director/Manager, and School Business Administrator Ferreira it was primarily due to budgeting the salary for a new Curriculum Coordination lower than they hired. Mr. Ferraro asked about the extra \$25,000 for Legal and School Business Administrator Ferreira said he would look into it.

School Business Administrator Ferreira said the School Nutrition account included a transfer of \$20,960 from the general fund to cover the Special Education Program deficit, and said they expected a deficit again this year. He said the Audit found 3 minor control recommendations, two dealing with checks not being deposited within one week, and one involving Non-Union fringe benefits where taxes were not withheld. He said the first two were recommendations for North Hampton and the third was SAU-wide.

**Preliminary Default Budget for FY2020/2021 School Year**

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School Business Administrator Ferreira said the Default Budget is based on the prior-year FY2019/2020 Budget increased or decreased based on contractual obligations, one-time changes, debt service and contracts. He said the School is currently working on the Operations and Default Budget process, and the Default Budget is just an estimate. He said the initial Default Budget is \$9,195,697 which is a decrease of \$82,303 from the FY20192020 Budget.

School Business Administrator Ferreira said changes due to CBA included a Regular Education Certified Staff increase of \$608, Special Education Certified Staff decrease of \$6,515, Special Education increase of \$4,049, Special Education Professional Services decrease of \$26,400 with a Tuition increase of \$42,897. He said Guidance Accounts included a Salary Certified Staff increase of \$2,285, Salary Certified Staff and Health increase of \$4,228, Speech Services Certified Staff increase of \$2,285, and Education Media Salaries Certified Staff increase of \$2,072.

School Business Administrator Ferreira said for Buildings there was one-time equipment purchase reduction of \$6,186, a snow removal reduction of \$6,000 for a one-time equipment purchase, and a vehicle lease-purchase increase of \$12,669 which was a Warrant Article last year and would now roll into the Operating Budget. For Debt Service they saw annual increase on principal and decrease on interest. He said there were significant changes in Benefits, with a \$128,518 decrease in Non-Union Benefits for reductions in Health Insurance, a slight reduction in Dental, increases in FICA, and increases in Retirement for all staff demanded by RSA-100.

Mr. Ferraro asked if the figure for heating fuel reflected the new natural gas, and School Business Administrator Ferreira said the \$35,000 they budgeted was based on an estimate. School Business Administrator Ferreira said they would see no change in the Default Budget for SAU Services as that had not yet been approved by the joint boards and was now in process.

**NY OTHER BUSINESS THAT MAY LEGALLY COME BEFORE THE COMMITTEE**

**NEXT MEETING:** November 4, 2019 at 6:30 pm.

**ADJOURNMENT**

Mr. Stanton made a motion to adjourn the meeting which was seconded by Chairman Pinette.

The motion to adjourn was approved by a vote of 7-0, and Vice-Chair Sununu adjourned the meeting at 7:10 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary