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

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

**NORTH HAMPTON TOWN HALL**

***DRAFT 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

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

40  
41 School Business Administrator Ferreira said the School District had 4 Expendable Trust Funds: (1) Special  
42 Education with \$309,584, which acts as a contingency with a target of \$300,000; (2) Building Maintenance  
43 with a balance of \$167,720 and target of \$150,000; (3) Health Care at \$196,544 with target of \$200,000;  
44 and (4) Technology with \$15,420. He said there were withdrawals from the Building Maintenance and  
45 Special Education Expendable Trusts, and a withdrawal from the Energy Improvements Trust for natural  
46 gas conversion.

47  
48 Mr. Stanton asked about the \$145,000 over-expenditure for Special Education, and School Business  
49 Administrator Ferreira said the current School Year was also over-budget and that was the prognosis going  
50 forward as they budget for current needs. Mr. Stanton asked the basis for the interest funds, and School  
51 Business Administrator Ferreira said it was General Fund interest during the 2018/2019 School Year. He  
52 said in the March 2019 Ballot, the Town approved \$75,000 in funding for the Special Education Expendable  
53 Trust and \$25,000 for Building Maintenance. He said they also dissolved the Energy Trust and the Building  
54 Expense Capital Reserve Fund and returned the money to the Town

55  
56 School Business Administrator Ferreira said the 2018/2019 Budget contained 3 Warrant Articles: (1) first  
57 year of a 2-year CESA Collective Bargaining Agreement (CBA) in the amount of \$29,282; (2) annual long-  
58 term maintenance Warrant Article expended in the amount of \$27,500; and (3) natural gas conversion  
59 Warrant Article supplemented by the Expendable Trust Fund with a total of \$375,000. He said for the end  
60 of the fiscal year there might be some open POs and bills not yet paid which were carried forward as  
61 encumbrances. He said past-year encumbrances included \$11,432 General Fund encumbrances carried  
62 forward to FY2019/2020.

63  
64 School Business Administrator Ferreira said there were 4 Budget Transfers in FY2018/2019: (1) \$3,000  
65 from Regular Education Certified Staff into Software/Licensing for PowerSchool software; (2) \$11,600  
66 from Regular Education Salaries Certified Staff into Salaries Director/Manager; (3) \$20,500 from Tuition  
67 Accounts to Special Educations Salaries Certified Staff; and (4) \$25,000 from fuel, FICA, Retirement, and  
68 admissions into the Legal Account. Mr. Ferraro asked about the increase in Salaries Director/Manager,  
69 and School Business Administrator Ferreira it was primarily due to budgeting the salary for a new  
70 Curriculum Coordination lower than they hired. Mr. Ferraro asked about the extra \$25,000 for Legal and  
71 School Business Administrator Ferreira said he would look into it.

72  
73 School Business Administrator Ferreira said the School Nutrition account included a transfer of \$20,960  
74 from the general fund to cover the Special Education Program deficit, and said they expected a deficit  
75 again this year. He said the Audit found 3 minor control recommendations, two dealing with checks not  
76 being deposited within one week, and one involving Non-Union fringe benefits where taxes were not  
77 withheld. He said the first two were recommendations for North Hampton and the third was SAU-wide.

78  
79  
80 **Preliminary Default Budget for FY2020/2021 School Year**

81

82 School Business Administrator Ferreira said the Default Budget is based on the prior-year FY2019/2020  
83 Budget increased or decreased based on contractual obligations, one-time changes, debt service and  
84 contracts. He said the School is currently working on the Operations and Default Budget process, and the  
85 Default Budget is just an estimate. He said the initial Default Budget is \$9,195,697 which is a decrease of  
86 \$82,303 from the FY20192020 Budget.

87  
88 School Business Administrator Ferreira said changes due to CBA included a Regular Education Certified  
89 Staff increase of \$608, Special Education Certified Staff decrease of \$6,515, Special Education increase of  
90 \$4,049, Special Education Professional Services decrease of \$26,400 with a Tuition increase of \$42,897.  
91 He said Guidance Accounts included a Salary Certified Staff increase of \$2,285, Salary Certified Staff and  
92 Health increase of \$4,228, Speech Services Certified Staff increase of \$2,285, and Education Media Salaries  
93 Certified Staff increase of \$2,072.

94  
95 School Business Administrator Ferreira said for Buildings there was one-time equipment purchase  
96 reduction of \$6,186, a snow removal reduction of \$6,000 for a one-time equipment purchase, and a  
97 vehicle lease-purchase increase of \$12,669 which was a Warrant Article last year and would now roll into  
98 the Operating Budget. For Debt Service they saw annual increase on principal and decrease on interest.  
99 He said there were significant changes in Benefits, with a \$128,518 decrease in Non-Union Benefits for  
100 reductions in Health Insurance, a slight reduction in Dental, increases in FICA, and increases in Retirement  
101 for all staff demanded by RSA-100.

102  
103 Mr. Ferraro asked if the figure for heating fuel reflected the new natural gas, and School Business  
104 Administrator Ferreira said the \$35,000 they budgeted was based on an estimate. School Business  
105 Administrator Ferreira said they would see no change in the Default Budget for SAU Services as that had  
106 not yet been approved by the joint boards and was now in process.

107  
108 **NY OTHER BUSINESS THAT MAY LEGALLY COME BEFORE THE COMMITTEE**

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

111  
112 **ADJOURNMENT**

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

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115 The motion to adjourn was approved by a vote of 7-0, and Vice-Chair Sununu adjourned the meeting at  
116 7:10 pm.

117  
118 Respectfully submitted,

119 Patricia Denmark, Recording Secretary