



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

SEPTEMBER 30, 2019 6:30 PM

NORTH HAMPTON TOWN HALL

Approved Minutes

MEMBERS PRESENT: Chairman Jonathan Pinette, Vice-Chairman/School Board Rep James Sununu, Select Board Rep Larry Miller, Rick Stanton, Laurel Pohl, George Chauncey

EXCUSED: Frank Ferraro, Tamara Le, Little Boar's Head Rep Brian Goode

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

AGENDA

Chairman Jonathan Pinette welcomed everyone to the September 30, 2019 North Hampton Municipal Budget Committee Meeting and called the meeting to order at 6:34 pm, followed by the Pledge of Allegiance.

OLD BUSINESS – None

NEW BUSINESS

Approval of the Minutes of the Budget Committee Meeting of September 16, 2019

Changes/Corrections: Selectman Miller corrected the sentence on line 271 to read: "Selectman Miller said the Library has all public funds, except for \$260,000 in historic funds they had."

Motion: To approve the Minutes of the Budget Committee Meeting of September 16, 2019 as amended.

Motioned: Selectman Miller

Seconded: Mr. Chauncey

Vote: Motion approved 6-0

Adding Agenda Items:

Chairman Pinette apologized to Ms. Pohl for being short with her at the last meeting, and said going forward any added agenda items would be discussed 1 week prior to the next meeting. Mr. Stanton said the items have to be approved by the Chairman, and Vice-Chair Sununu said they could also be added by consensus at the meeting.

Town FY2019 Year-End Summary

Town Administrator Bryan Kaenrath said for FY2019 the Town had a General Fund Operating Budget of \$7,124,725, plus General Fund Warrant Articles of \$913,077, for a General Fund Approved Budget of 8,037,802. He said adding Prior-Year Encumbrances (FY2018 to FY2019) of \$59,333, less Current-Year Encumbrances (FY2019 to FY 2020) of \$147,171 brought the Adjusted General Fund Expenditure Budget to \$7,949,964. He said Budgetary Expenditures were \$7,810,656, leaving Budget Returned to Fund Balance \$139,308.

Town Administrator Kaenrath reviewed the Current-Year Encumbrances by category with Executive \$29,950, General Government Buildings \$16,375, Police \$67,375, Fire & Rescue \$31,380, and Highways & Streets \$5,949, for a total of \$147,171. Ms. Pohl asked what General Government Buildings reflected, and Finance Director Ryan Cornwell said for the Recycling Center roof and a vinyl fence. Mr. Stanton asked about Town Administrative Miscellaneous and Finance Director Cornwell said it covered \$11,550 for the Wage Range Analysis by MRI and \$14,400 for the conceptual plan for the North Hampton Village District.

Mr. Stanton asked about the \$45,000 for Police and asked if other bids were obtained. Finance Director Cornwell said the account was all-inclusive for a variety of items, and Police Chief Kathryn Mone said there were 3 bids and they went with the company who could do the work fastest. Mr. Stanton asked about Fire & Rescue, and Finance Director Cornwell said there was boiler work done totaling \$54,790 and part of the project was completed prior year with the remaining portion encumbered. Fire Chief Michael Tully said it was replacement of Heating and AC at the Fire Station, and said the funds came from budget surplus, with AC done one year and heating the next.

Town Administrator Kaenrath said the General Fund Revenue Budget of \$8,037,802, less Use of General Fund Unassigned Fund Balance \$552,000, gave an Adjusted General Fund Revenue Budget of \$7,485,802. Budgetary Revenues were \$7,688,921, with Revenues in Excess of Budget \$203,119, and included Property Taxes \$5,527,345, Timber Yield \$2,767, Interest on Taxes \$54,252, Business Licenses/Permits \$2,235, Motor Vehicle Permits \$1,437,807, Building Permits \$99,399, Other Licenses/Permit \$24,014, Rooms & Meals \$232,630, Highway Block Grant \$105,007, Other State Grants \$2,818, Department Income \$16,428, Solid Waste Fees \$10,022, Interest on Investments \$38,636, Short-Term Rents \$1,030, Fines & Forfeits \$12,445, Transfers from Special Revenue Funds: Fire \$55,000 and Police \$37,000, and Transfers from Capital Reserve Funds of \$30,000 and \$81, bringing the total to \$7,688,921.98.

Finance Director Cornwell said the \$30,000 is typically roadwork, \$37,000 is for outright purchase of a Police Cruiser, and the \$55,000 for a Fire Department command vehicle. Ms. Pohl asked about revenue from Ambulance fees, and Finance Director Cornwell said there was a fund to accumulate 15% for maintenance of ambulances and a fund to accumulate 85% for vehicle purchases.

Town Administrator Kaenrath said General Fund Non-Budgetary Activity included Unanticipated Revenue of \$127,206, plus the General Fund Assigned Fund Balance (Highway Block SB38 Grant) of \$87,772, less

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Expenditures Related to Unanticipated Revenue \$93,958, gave a Net Surplus from Non-Budgetary Activity of \$121,380. Finance Director Cornwell said the grant funds of \$87,000 was spent plus another \$60,000 from Director Hubbard's Road Maintenance line.

Town Administrator Kaenrath reviewed the totals, with Total Returned to Fund Balance \$339,308, Revenues in Excess of Budget \$203,119, Net Surplus from Non-Budgetary Activity \$121,380, and the Change in General Fund-Fund Balance \$463,808. He said the Prior-Year Unassigned Fund Balance of \$2,306,024, plus the Change in General Fund-Fund Balance of \$463,808, less the Use of General Fund Unassigned Fund Balance \$375,000 from the Town Meeting for the Library, brought the Current Year Unassigned Fund Balance to \$2,394,832 or about 11% consistent with last 3 years.

FY2021 Default Budget

Town Administrator Kaenrath stated that the FY2020 General Fund Approved Operating Budget was \$7,161,370 versus the FY2021 General Fund Default Operating Budget of \$7,286,026 showed a change of \$74,656 or 1.042%. He said the biggest increases were in Police and Fire due to increases in Union Salaries, with Police up \$51,349 and Fire \$30,830. He said there was a reduction of \$12,926 in Highways & Streets due to reduced equipment lease payments and an increase in Water Service distribution costs of \$1,090. Debt Service Principal increased \$10,000, less Debt Service Interest \$5,687, for a total of \$74,656.

Finance Director Cornwell said in January they nailed down how they interpret the Default Budget as currently written, and said this is nearly verbatim to last year. He said they were maintaining a conservative approach to escalating Health Insurance costs, and though the Town is paying less toward Health Care Benefits, the increases outweigh the savings. Ms. Pohl asked how the Health Care Stabilization Fund plays into this, and Finance Director Cornwell said they were proposing an increase of 10% to Health Care and could get any difference from the fund. He said the last contribution to that fund was \$30,000 in FY2017.

ANY OTHER BUSINESS THAT MAY LEGALLY COME BEFORE THE COMMITTEE

NEXT MEETING: October 7, 2019 at 6:30 pm.

ADJOURNMENT

Vice-Chair Sununu made a motion to adjourn the meeting which was seconded by Chairman Pinette.

Chairman Pinette adjourned the Budget Committee Meeting at 7:38 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary