



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

DECEMBER 16, 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, Little Boar's Head Rep Brian Goode, Rick Stanton, Frank Ferraro, Laurel Pohl, Tamara Le,

EXCUSED: George Chauncey

ALSO PRESENT: School Business Administrator Matt Ferreira, Superintendent of Schools William Lupini

AGENDA

Chairman Jonathan Pinette welcomed everyone to the December 16, 2019 North Hampton Municipal Budget Committee Meeting and called the meeting to order at 6:33 pm, followed by the Pledge of Allegiance. He said George Chauncey was excused.

OLD BUSINESS – None

NEW BUSINESS

Approval of the Minutes of the Budget Committee Meeting of November 18, 2019

Motion: To approve the Minutes of the Budget Committee Meeting of November 18, 2019.

Motioned: Vice-Chair Sununu

Seconded: Mr. Stanton

Vote: Motion approved 7-0, with 1 abstention

SECOND REVIEW OF SCHOOL PROPOSED FY2021 OPERATING BUDGET

School Proposed FY2021 Operating Budget

School Business Administrator Matt Ferreira said the School Proposed Operating Budget is \$9,299,228, an increase of \$21,000 or 0.23% over the prior year. He asked if the Budget Committee had additional questions.

Mr. Ferraro said he had asked at the last meeting to confirm numbers in the Default Budget that the 0.6 FTE position was already taken out, and Business Administrator Ferreira said it was. Mr. Ferraro had also questioned Special Education-Professional Services, which they did decrease by \$26,000 to \$150,000 (previously \$176,000).

Regular Education (lines 1-13): Mr. Goode asked if any positions were being added here, and School Business Administrator Ferreira said they were reducing PE by 0.6 FTE and changing a 0.5 part-time Interventionist to a 1.0 FTE Specialist.

Mr. Ferraro said under Regular Education and Staff, it would be helpful to also show the number of Pre-K students and staff. He said he asked a lot of questions about estimating class sizes, and the basic reply was that the School District relied on NESDEC. He said to rely on their estimate for the next school year, would be assuming the addition of 15 students, and the data supplied does not support any increase. He said per his own statistical analysis, there is no correlation between the number of births and the number of students entering Kindergarten.

Business Administrator Ferreira said they traditionally use those statistics as enrollment projections for Kindergarten classes, and said the Kindergarten class size has no bearing on the number of teachers. He said he realizes the date is outdated and they budgeted for a revised projection next year. Selectman Miller asked how much you can fractionate teachers, and Superintendent Lupini said between December and the end of the School year they actually saw increases in the number of students in most grade levels.

Vice-Chair Sununu said Mr. Ferraro's analysis went back 15 years in terms of the number of students, but the only relevant data goes back to 2012, the first year of fulltime Kindergarten, and said it is not unreasonable to look at the correlation between births and Kindergarten as a valid data point. Ms. Pohl asked if looking at projections versus actuals for any of those 8 years would have changed the number of teachers, and Vice-Chair Sununu and Mr. Ferraro both said it would not. Mr. Ferraro said he was not arguing the number of students in Kindergarten, but arguing the reason those numbers were put down.

Mr. Ferraro suggested instead of using higher numbers, they needed to be more realistic so it does not look like they are trying to fudge the numbers. Vice-Chair Sununu said they look at historical averages for every line in this Budget. Ms. Pohl asked how projections were done in the rest of the grades, and Business Administrator Ferreira said with prior-year enrollment. Vice-Chair Sununu said since the Budget process has started, net enrollment has gone up by five (5).

Special Education (lines 14-29)

Student Activities (lines 30-39): Mr. Goode asked why Student Activities was going up 46%, and Business Administrator Ferreira said primarily due to changes made to overnight Field Trips, which were eliminated the previous year and brought back to the original funding level of 2 years ago.

Guidance (lines 40-42)

Health (lines 43-49)

Speech Services (lines 50-53)

Importance of Instruction (lines 54-61): Mr. Goode said last year a new position was added at the SAU level that was to help streamline Special Education, and asked if they had seen any results yet. Superintendent Lupini said they thought they could generate more money in terms of Medicaid and had a plan in place to increase Medicaid funding 6-8%, but they were unable to access Medicaid dollars overall, and reduced the budget to 25% of the \$250,000 they were bringing in across SAU. He said they did accomplish some transportation efficiency by combing some Special Education out-of-district routes.

Business Administrator Ferreira said this Budget shows the elimination of a part-time ESOL position and the hiring of a fulltime position at the SAU to provide better services to 4 of their School Districts, which is saving \$30,000 across SAU. Mr. Goode asked specifically if North Hampton saw any reduction in staff because of this, and Business Administrator Ferreira said it is a contracted service and there was a reduction.

Educational Media (lines 54-70)

Technology (lines 71-82)

Board of Education (lines 83-91): Mr. Stanton asked about the 75% increase in Legal. Business Administrator Ferreira said they looked at actual expenditure history, and they have been going significantly over-budget in their legal accounts. He said the 3-year average is \$17,000 and they raised the average to \$14,000. Mr. Stanton asked if they were expecting anything in future that might require that increase and Superintendent Lupini said not at the moment.

SAU Services (lines 92-93): Ms. Le asked what this line is based on, and Business Administrator Ferreira said it is the SAU Budget and is essentially a level budget. He said North Hampton is now seeing a reduction in SAU's Budget, allocated based on a formula including enrollment and property evaluation. He said they are adding an ESOL position to SAU, but the individual districts are being billed back so it is coming in as offsetting revenue to SAU. Vice-Chair Sununu said that position is not in this budget and is not utilized equally across the Districts.

School Administration (lines 94-102)

Buildings (lines 103-120): Mr. Stanton asked about the increase in furniture. Business Administrator Ferreira said the Furniture Account represents the final year of a 3-year plan for the Library Commons. Ms. Pohl said if the plan is divided by 3 years, there should be a level increase each of the 3 years. Vice-Chair Sununu said there was a certain plan for each phase, and the last year of the plan has the most costs associated with it.

Mr. Ferraro said the Auto Scrubber Lease cost is now \$4,186 and next year will be zero, and asked if this should be removed from the Default Budget. Business Administrator Ferreira said they specifically asked the New Hampshire School Board Association legal counsel for their recommendation on this, but he would double-check. Mr. Ferraro said the Atomic Clocks are also not an expense every year, and Business Administrator Ferreira said there were lots of things here not purchased the prior year.

Superintendent Lupini said we are not going to reconcile this here, and said they have a legal opinion on those items from the School Board Association. He said he would be happy to provide any legal opinions they have, but they are not going to resolve this at this table. Selectman Miller said the Town does not have the legal authority to set the Default Budget for the School.

Grounds (lines 121-124): Ms. Le brought up a drainage issue and Vice-Chair Sununu said he would look into it.

Vehicles (lines 125-127): Mr. Goode asked about the leased truck, and Vice-Chair Sununu said they had a Warrant Article that purchased the truck last spring.

Transportation (lines 128-133)

Debt Services (lines 134-136)

Employee Benefits (lines 137-148)

Inter-Fund Transfer (lines 149-150)

Food Service (lines 151-161)

Warrant Articles

Vice-Chair Sununu said the School Board, as of now, has only two (2) proposed Warrant Articles for Long-Term Maintenance totaling \$65,000: (1) to repave the front and east parking lots, and (2) to reseal the bricks on the exterior of the School Building. He said these are part of their 5-year Maintenance Plan.

Vice Chair Sununu said there will be a Warrant to expend the balances of the School's Expendable Trusts, and said there are four (4) Expendable Trusts: Special Education, Health Care, Building Maintenance, and Technology. He said they are all pretty close to their targets but they did vote to raise targets and were increasing the target for Special Education from \$300,000 to \$400,000 due to increased costs, and were proposing \$50,000 be added from end-of-year Unexpended Fund Balance.

Superintendent Lupini said SESPA issues are now in discussion and bargaining is concluded, with pending ratification by all School Boards, and concluding a 2-year agreement. Business Administrator Ferreira said once it is ratified on Wednesday, he will send out a power-point summary of the whole agreement. Mr. Ferraro asked about the funds in the trusts and Vice-Chair Sununu said they were for unanticipated expenses in those 4 areas. Mr. Goode asked how much total was in all of the accounts. Business Administrator Ferreira said Special Education has \$309,000, Building Maintenance \$167,000, Health Care \$196,000, and Technology \$15,000.

Mr. Ferraro asked how the gas conversion was affecting funds, and Business Administrator Ferreira said he had not put together a full analysis of the results and hoped to have more substantial data next year. Mr. Goode asked about a stipend for \$35,000 under Salaries/Certified Staff on page 16. Business Administrator Ferreira said this is summer programming for Special Education students, which they are required to provide through the summer. Ms. Pohl said the Budget Committee may not have the legal authority to reset the School Default Budget, but they have an obligation to ensure taxpayer dollars are spent appropriately. Business Administrator Ferreira said he will revisit the Auto Scrubber and the Atomic Clocks.

Ms. Le said she noticed the decrease in Health Insurance and asked if the blue contract was now completely out. Business Administrator Ferreira said that was part of the reason for the decrease in the Teacher's contract, and said they were also eliminating that plan for non-union staff members. He said they were only seeing a 1.8% guaranteed rate increase on premiums, and there were some savings with staff changes. He said it was also an item where the Default Budget decreased significantly.

Motion: To approve the recommended School FY2021 Operating Budget of \$9,299,228, with a Default Budget of \$9,075,388.

Motioned: Mr. Stanton

Seconded: Selectman Miller

Discussion: Mr. Ferraro suggested the motion be amended to only propose the School Budget and they cannot yet prove the Default Budget.

Selectman Miller withdrew his second on the motion.

Amended Motion: To approve the recommended School FY2021 Operating Budget of \$9,299,228.

Motioned: Mr. Stanton

Seconded: Selectman Miller

Discussion: Ms. Pohl said she was not voting on anything until everything was in, and also wanted to take a second look at the Town Budget first. Mr. Ferraro said there will be a Public Hearing on the Budget and Ms. Pohl suggested waiting until then. Business Administrator Ferreira said they will have to vote on the SESP Agreement then as well. Mr. Stanton said they have been through the School Budget, and should finish that up. Chairman Pinette recommended voting tonight.

Vote: Motion to approve as amended 6-2

Mr. Ferraro thanked Business Administrator Ferreira, the SAU, and the School for all their hard work.

Dates for Public Hearing, Post Warrant, Deliberative Session

Chairman Pinette said the dates for the Public Hearing are posted, and they would be discussing that at their next meeting on Thursday, December 19, 2019. Vice-Chair Sununu said he could not be there on Thursday. Mr. Ferraro asked when the School Deliberative Session would be and Business Administrator Ferreira said on February 4, 2020 at 7:00 pm. Ms. Pohl asked about a vote on CIP, and Chairman Pinette said he preferred to discuss that at the next meeting.

ANY OTHER ITEM THAT MAY LEGALLY COME BEFORE THE COMMITTEE

Mr. Ferraro said the first date for the Public Hearing is January 10th for the Town, but not for the School. Vice-Chair Sununu said they usually do both on the same day.

Mr. Stanton said he would like to hand out a new FY2021 Town Budget which he vetted with Mr. Ferraro. He said as a quick overview, when he saw some of the increases in the Town Budget, particularly for the Town Administrator, they dug deeper and came up with new numbers that meet the Town's needs, and said he would like to put it on the Agenda for the next meeting. Selectman Miller asked if the Town Administrator had a copy of this and Mr. Stanton said he did not.

Mr. Ferraro agreed with Mr. Stanton and said he wanted to hear the responses to some of the items like the MRI Study. Chairman Pinette said MRI would be presented via phone-in, and Mr. Ferraro asked for a copy of the presentation in advance. Chairman Pinette said he asked for a copy but had not received anything yet. Mr. Stanton said he would make sure Town Administrator Kaenrath and Finance Director Ryan Cornwell received a copy of the letter of explanation and the spreadsheet.

Ms. Pohl said there will be a Select Board Meeting concurrent with the Budget Committee at the meeting on Thursday, and Chairman Pinette the Budget Committee will be conducting their meeting and the Select Board will be present in case they need to vote on something, but would not be participating and will hold their meeting afterward. Selectman Miller said they won't be able to speak.

Vice-Chair Sununu said he had a few comments as he cannot be there on Thursday. He said he looked at the MRI Study in more detail and wonders why they did not include Rye and Greenland, and said they used a very poor set that was not necessarily sound. He said they talked about reducing a few line items to match historical trends, then established a Reserve Fund for a very small item which is not prudent and transparent to voters. He said he sees no evidence as to why Public Safety positions need to be created by Warrant Article. He said he has concerns about the process, and they need to make sure everyone knows what is being propose here before it goes out as a Warrant.

NEXT MEETING: January 6, 2019 at 6:30 pm in the Town Hall.

ADJOURNMENT

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

The motion to adjourn was approved by a vote of 8-0, and Chairman Pinette adjourned the meeting at 8:08 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary