



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

NOVEMBER 5, 2018 7:00 PM

NORTH HAMPTON TOWN HALL

MEMBERS PRESENT: Chairman Jonathan Pinette, Vice-Chairman/School Board Rep James Sununu, Frank Ferraro, Charles Gallant, Laurel Pohl, Tamara Le, Little Boar's Head Representative Brian Goode, Select Board Representative Larry Miller

ALSO PRESENT: Town Administrator Bryan Kaenrath, Finance Director Ryan Cornwell, Police Administrative Assistant Jess Miehle, Fire Chief Michael J. Tully

AGENDA

Chairman Jonathan Pinette welcomed everyone to the November 5, 2018 Budget Committee Meeting and called the meeting to order at 7:05 pm, followed by the Pledge of Allegiance.

Chairman Pinette said he wanted to welcome new Police Chief Kathryn Mone to the North Hampton Police Department.

OLD BUSINESS

Approval of the Minutes of the September 17, 2018 Budget Committee/Select Board Meeting

The date at the top of the minutes was corrected to September 17, 2018, and Mr. Ferraro asked that a note be added that he requested line-item transfers be provided.

Ms. Pohl also provided the motion made at the beginning of the August 20, 2018 minutes as well as the corrected vote of 8-0 on that motion.

Motion: To approve the minutes of the September 17, 2018 Budget Committee/Select Board Meeting as amended.

Motioned: Vice-Chair Sununu

Seconded: Rick Stanton

Vote: Approved 8-0, with 1 abstention

NEW BUSINESS

Approval of the Minutes of the October 15, 2018 Budget Committee Meeting

Motion: To approve the Minutes of the October 15, 2018 Budget Committee Meeting

Motioned: Vice-Chair Sununu

Seconded: Mr. Ferraro

Vote: Approved 9-0

1ST REVIEW OF TOWN PROPOSED FY2020 BUDGET

Town Administrator Bryan Kaenrath said since the last meeting there were only a few changes mainly to the Health Trust. He said he received a preliminary tax rate from DRA of \$16.19 which was not final and was a reflection of the Town Revaluation done this year. Finance Director Ryan Cornwell said the Town Valuation was preliminary and based on market conditions, and said the Select Board needed to discuss what the overlays should be and whether they wanted to use any additional Fund Balance to reduce taxes.

The Committee agreed to review the Town Proposed FY2020 Budget by functional area. Salary increases were questioned under Executive, and Finance Director Cornwell explained that the Administrative Assistant salary included a non-scheduled FY2019 increase, and the 200% increase in TA Overtime reflected the actual amount of time spent. Under Town Clerk/Elections, Finance Director Cornwell said there were salary increases for 2020 for the Town Clerk and the Tax Collector. He said the salary increase for the Finance Director was 4.74% which was a consistent increase across the board.

The 38.462% increase for IT Contractor under Data Processing was questioned, and Town Administrator Kaenrath explained that the transition to Microsoft 365 had resulted in added costs per month as well as for backup. Finance Director Cornwell said there was a blanket cost for the Town to have the system plus a cost per user/per month. Ms. Pohl requested the details of last year to this year be provided to the Committee.

Under Legal the 20% increase for Labor Negotiations was questioned, and Town Administrator Kaenrath said they were now negotiating the Police Contract. Finance Director Cornwell said this was reclassified based on historical spending, and the lines under legal had been further broken down. Mr. Ferraro suggested moving that \$15,000 into Legal General since it was not really labor negotiations and leaving \$1.00 in Negotiations, and Finance Director Cornwell said he would make a note of it. Mr. Goode asked if \$10,000 for Code Enforcement was sufficient and Finance Director Cornwell said it was based on a particular case being resolved and settled.

Mr. Ferraro asked for more details for Compensation/Salary Increases under Personnel Administration. Finance Director Cornwell explained that he took all current salaries as of today, added cost-of-living increases, and applied a percentage to the proposed amounts. He said for all non-union individuals, contracted or non-contracted, he took the total times 2.5% to cover likely average merit increases, and said the prior-year merit also came out of this line. Mr. Ferraro requested that a more straight-forward explanation of the process be provided to the Committee.

Under General Government Buildings Mr. Ferraro questioned the 18.7% increase in Custodial Salary and Finance Director Cornwell said it addressed the increased hours spent along with a marginal pay increase.

Mr. Stanton felt the \$20,000 allocated for Building Maintenance might not be adequate based on upcoming projects. Town Administrator Kaenrath said there was usually a Warrant Article for building maintenance, and Mr. Miller said with other repairs needed he would raise the issue again with the Select Board. Mr. Ferraro questioned the \$1,000 in the rolling 12-month expenditures under the Heritage Commission. Finance Director Cornwell said a portion of it was from FY2018 and nothing had been spent to date in FY2019.

Under the Police Department, Mr. Ferraro questioned the Deputy Police Chief Salary increase as well as the Administrative Assistant and Part-time salary increases. Town Administrator Kaenrath said there was a new Deputy Chief brought in this year at a higher salary. Finance Director Cornwell said the Administrative Assistant salary reflected actual hours spent and the increase to Part-time was for a new position. Ms. Pohl asked about PD Vehicle Lease, and Finance Director Cornwell said a lease had expired and final payment was made. Vice-Chair Sununu said the rolling 12-month expenditure for PD Overtime was still pretty high and asked if it was trending toward what was budgeted. Police Administrative Assistant Jess Miehle said the department was fairly close to full staff and they were hiring at entry-level starting salaries. He said he felt the number put forth was representative of full staff and they should be able to reduce overtime.

Under Fire & Rescue, Ms. Pohl questioned the 17% increase for gasoline. Fire Chief Michael Tully said they used the prior-year cost plus 10% and were using the State Bid set price. Mr. Stanton asked about funding the rescue boat for Boar's Head, and Fire Chief Tully said it would probably be taken out of Emergency Management funds. Mr. Stanton asked why the Fire Prevention line had been wiped out, and Fire Chief Tully said he could use funds there as well as for an increase to the \$6,000 budgeted for vehicle maintenance. Mr. Stanton recommended adding \$500,000 to Fire Prevention and \$3,000 to Vehicle Maintenance. Ms. Pohl said the Chairman of the Rotary had funding available for charitable things and should be contacted. Mr. Miller said the Select Board could provide a recommendation for a budget transfer. Ms. Pohl asked about the Code Enforcement salary decrease and Finance Director Cornwell said it was due to turnover of staff.

Street Lighting saw a decrease as a result of the change to LED lighting, and Vice-Chair Sununu said the FY2018 spike was a one-time cost for installation. Under Solid Waste there was a reduction in the rates for tipping fees, and Town Administrator Kaenrath said there was also a downward trend in overall tonnage. Under Water Commission the lack of expenses for supplies was questioned, and Finance Director Cornwell said the only expenses were for out-of-pocket office supplies. Finance Director Cornwell said the budget under Mosquitoes covered roughly 6 applications at approximately \$9,000-\$11,000/line.

Under Health Agencies/Hospitals Mr. Ferraro said some of the increases were significant, as well as under Social Services. Finance Director Cornwell said it was funded by Warrant Article, and said prior-year increases were reasonably consistent. He said the increase to Richie McFarland reflected the change from serving 1 individual to serving 9 individuals. Mr. Ferraro requested that the first page of the application for all increased requests be provided to the Committee.

Under Parks & Recreation the increase of 106.7% for Dearborn Park was questioned. Finance Director Cornwell said Primex, who provided their property-liability coverage, had determined that the playground was dangerous. Town Administrator Kaenrath said there was a lot of deferred maintenance there they needed to start working on, and said the Select Board had not approved withdrawing funds from capital reserves for resurfacing the tennis courts. The Committee recommended the wording for the Warrant

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Article be revised. Mr. Gallant said there was significant savings from Primex if the Town submitted a policy for liability and property insurance, but the Town Safety Committee would have to meet quarterly.

The \$7,000 proposed budget for Economic Development was questioned. Mr. Miller said he put the funds in to cover a sewerage study along Route 1, as the last one was done in the early nineties. Mr. Stanton said he did not approve of putting the funds there, and Ms. Pohl agreed. She said the Planning Board had a section in the Master Plan for community development funding for special studies.

Motion: To move the \$7,000 out of Economic Development to Special Studies in Planning & Zoning.

Motioned: Mr. Stanton

Seconded: Mr. Miller

Discussion: Mr. Ferraro said for this department the narrative said the funding was to be used for future surveys regarding Economic Development, and said it was not a study but a survey. Town Administrator Kaenrath said another member of the Select Board had also wanted to see a dedicated budget line for Economic Development.

Mr. Miller withdrew his second and Mr. Stanton withdrew his motion until the next meeting.

PERIOD OF PUBLIC COMMENT – None

ADJOURNMENT

Mr. Miller made a motion to adjourn the meeting which was seconded by Mr. Gallant.

The motion was approved by a vote of 9-0 and the Budget Committee Meeting was adjourned at 9:02 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary