



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

APRIL 22, 2021 6:00 PM

NORTH HAMPTON TOWN HALL

Approve November 1, 2021

MEMBERS PRESENT: Chairman Rick Stanton, Vice-Chairman Brian Goode, George Chauncey, Frank Ferraro, Sean Dionne, Select Board Rep James Sununu, School Board Rep Tom Von Jess

PRESENT ON ZOOM: Andrew Raucci, Ann Marie Banfield (signed on late)

ALSO PRESENT: Town Administrator Michael Tully, Charles Gallant

AGENDA

Chairman Rick Stanton welcomed everyone to the April 22, 2021 North Hampton Municipal Budget Committee Meeting and called the meeting to order at 6:04 pm, followed by the Pledge of Allegiance.

OLD BUSINESS – None

NEW BUSINESS

Select New Volunteer Members (2)

Chairman Stanton said the first order of business is to add 2 new members to the Committee to fill the 2 vacancies. He said there are 3 applicants: Ann Marie Banfield, Andrew Raucci, and Charles Gallant, and I will ask each one to speak to the Committee.

Ann Marie Banfield was not available on Zoom at that time. Mr. Ferraro said she was very active in education and very active in Bedford in budget issues.

Andrew Raucci of Walnut Avenue said he served in the US Marine Corp, worked in Institutional Investment management and consulting for 10 years, was treasurer of Rhode Island developing a hybrid retirement plan and buying and selling equities and bonds. He has a lifelong commitment to service and would love to get involved with the Town to help out on the Budget Committee.

Charles Gallant of Exeter Road said he is a resident of 17 years, spent 3 years as a member of the Budget Committee, and currently is on the CIP Committee. He has worked in public safety since 1995 as a career Lieutenant with a neighboring Fire Department, serves as Chairman of the Health Insurance Committee through Health Trust (10 years), and has 15 years as negotiator for union contracts.

Mr. Ferraro suggested it would be appropriate to appoint Andrew Raucci and Ann Marie Banfield, who received significant votes as write-ins, as the 2 replacements. Chairman Stanton said the tradition for filling vacancies is to advertise and ask for volunteers and that would change the precedent set.

Votes for Candidates:

Ann Marie Banfield – 3 votes
Andrew Raucci – 7 votes
Chuck Gallant – 4 votes

Chairman Stanton said the new members of the Budget Committee were Andrew Raucci and Chuck Gallant who would be sworn in by the Town Clerk.

Ann Marie Banfield joined the meeting by Zoom and said she hoped for the best for the Committee.

Appoint Budget Committee Representative to CIP

Chairman Stanton said the CIP representative makes recommendations to the Select Board on Capital items in excess of \$10,000 and the committee vets input from each department and asked for volunteers. He said they get to hear about all the new projects and make a recommendation to prioritize the projects and he recommended that a new member volunteer as Budget Committee representative.

Vice-Chair Goode nominated Frank Ferraro; Selectman Sununu nominated Sean Dionne.

Votes for Candidates:

Frank Ferraro – 4 votes
Sean Dionne – 2 votes

Frank Ferraro was elected as Budget Committee Representative to the CIP Committee.

Resolve any Scheduling Conflicts

Chairman Stanton said he sent out Draft Schedule #3 and changed a few dates after input from Matt Ferreira. He said presentations are alternated each year and the Town will go first this year.

Vice-Chair Goode recommended the December 6th date for the Library Budget be moved up to allow more time to look at first and second presentations. Selectman Sununu said if the Library needs to come back to answer questions, they can do so on the 20th at the second review of the School.

Discussion of Current Issues

Library Budget

Chairman Stanton said he said he would like to get input from the Committee on issues that came up in the past year for a possible verbal or written recommendation. He said the Library will come and present their budget to the Budget Committee this year and they can send it to the Select Board to be included in the Town Book or with a recommendation for a separate Warrant Article.

Mr. Ferraro said the budget prepared for the Town is the Budget Committee's Budget, and the number decided on and approved would then get included into the line item in the Town Budget. If the Warrant Article fails it would create a legal problem as the Town would then be in violation of the law stating the Town has to provide funds to operate the Library. Chairman Stanton said there would be a default and said there are advantages to a warrant.

Town Administrator Tully said he already posed that question to NHMA and is waiting on an answer, but this is also part of the law that requires the Select Board to adequately fund the Library. He said the consistent way is for the Budget Committee to add the money into the Town Budget.

Pay Increases for Non-Contract Employees

Chairman Stanton said pay raises for all non-contract employees consist of COLA as the base plus 2% as incentive or to keep COLA within reason. He said he preferred 1% and said the Budget Committee can only give an opinion to the Select Board as a recommendation of a policy change. Mr. Ferraro suggested an alternative to COLA plus X% where X = Social Security increase for the year. Chairman Stanton said that also lags behind COLA and detracts over time.

Selectman Sununu said last year for the School they put an increase across the board based on inflation then 2% merit pool. Mr. Von Jess said it has more to do with hiring and retaining the right people and they should have a performance pool to keep top performers. Selectman Sununu said other salary adjustments were made to get employees in their target range based on an MRI survey.

Town Administrator Tully said he believed the 2% also covers retirement increases. He said every non-union employee in the past 8 years except 3 have turned over, and the incentive is for getting the people they want and keeping them. Chairman Stanton said he does not like to see 2 different sets of employees in one office earning differently. Selectman Sununu pointed out that ultimately it is up to the Select Board.

Mr. Gallant asked the number of employees in North Hampton and Town Administrator Tully said for full and part-time about 60 with 20 not under a CBA. Selectman Sununu said contracted employees get whatever is negotiated in their contract through its duration, but for non-contract employees it is set yearly during Budget preparation. Mr. Ferraro recommended waiting until then. Town Administrator Tully said the Budget Committee only has the authority to reduce the bottom line not a specific figure.

Donations to 501c(3) Organizations

Chairman Stanton said 501c(3) Organizations receiving taxpayer funds were an itemized list in the Budget for many years but were dropped during one budget process and added back in at Deliberative. Mr. Ferraro recommended the Budget Committee use a dollar amount that would be given of \$25,000 and have the Town decide how to distribute the money based on the forms submitted.

Town Administrator Tully said that is how they are doing it right now, but the Select Board decided the voters should decide whether to give money away. Mr. Von Jess said social service agencies providing services to members of the community could come in and explain what they do and the value of what they are providing. Chairman Stanton said copies of all forms submitted could be distributed.

Vice-Chair Goode said they developed a procedure where if an organization does not *request* any funds, we do not automatically send them out and it seems to be working well. Town Administrator Tully said the funds are pro-rated to make sure every organization gets some. Mr. Ferraro suggested distributing a blank copy of the form to all Committee members.

Mr. Von Jess asked if the \$25,000 figure gets adjusted up or down over time. Mr. Ferraro said some dropped out and others asked for more money, but they could consider boosting the amount in future. Mr. Raucci asked how many of the organizations are located in Town and Town Administrator Tully said very few, but they all do a public good in North Hampton.

Funding Source for Capital Items

Chairman Stanton said he included this because last year CIP put in a recommendation for a DPW Truck, and during deliberations 3 Budget Committee members voted against recommending the Warrant because they wanted it taken from fund balance and paid outright rather than as a lease/purchase. As a result the Warrant Article failed though they were not against the truck but against the financing. He felt the Committee needed to discuss not voting down a Capital item.

Mr. Ferraro said he brought that up and was one of the votes against the article because the Town would spend more money in interest with a lease/purchase rather than buying outright. Chairman Stanton said we should not be in the position of deciding how it gets funded. He said voters do not have all that background and doubted the validity as a result. Mr. Dionne said he understood that the Town has done a lot of down-to-zero leasing for municipal vehicles.

Health Care Costs

Chairman Stanton asked that they discuss the rise in Health Care costs which is the biggest obstacle they are facing in the future and said he was looking to line up a speaker to address that. He said the Town tried to adjust that by setting up a stabilization fund, but they needed to take some action to make sure it does not get out of control. Whether employees pay more or finding groups we can get into to bind together for better rates.

Town Administrator Tully said he would talk about what they are seeing and doing not just in North Hampton but throughout the State in the public and private sector. He said we cannot control it but can

do our best to control our increases in costs. He said this year they had a GMR (Guaranteed Maximum Rate) of 7.5% but plan yearly in the Budget yearly for a 10% increase. He said we get our insurance from Health Trust and we looked into why North Hampton rates were increasing.

Town Administrator Tully said Towns were grouped by 100 or less but in 2016 that changed to 50 or less, and now they are grouped by themselves. He said he asked Health Trust if they could group with other towns and was told no, but he said SAU groups together and asked why they cannot join with the schools and it came back that it would push the rates even higher for everyone.

Town Administrator Tully said they are now looking at migration of employees to different, cheaper plans; right now they have 2 plans, one for union and one for non-union but have no control over union employees because of their contracts. He said once you sign on with NMHA you cannot go above them to get bids.

Mr. Gallant said he spent 10 years as chairman of an Insurance Committee in the town he works in and looked at different plans every 3 years and looked at the Luminous Plan with rates based on usage; he offered employees 3 different plans. Town Administrator Tully said that another factor is the transition to younger individuals who are single when hired but are seeing natural increases with plan changes over time.

ANY OTHER ITEM THAT MAY LEGALLY COME BEFORE THE COMMITTEE

PERIOD OF PUBLIC COMMENT

ADJOURNMENT

Mr. Ferraro made a motion to adjourn the meeting which was seconded by Mr. Dionne. Chairman Stanton adjourned the Budget Committee Meeting at 7:14 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary