



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

NOVEMBER 19, 2018 7:00 PM

NORTH HAMPTON TOWN HALL

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

EXCUSED: Laurel Pohl, Charles Gallant

ALSO PRESENT: School Business Administrator Matt Ferreira, School Principal Dr. Erik Anderson, Assistant School Principal Tracy Griffenhagen

AGENDA

Chairman Jonathan Pinette welcomed everyone to the November 19, 2018 Budget Committee Meeting and called the meeting to order at 7:04 pm, followed by the Pledge of Allegiance.

Chairman Pinette stated that Laurel Pohl and Charles Gallant were excused.

OLD BUSINESS – None

NEW BUSINESS

Approval of the Minutes of the November 5, 2018 Budget Committee Meeting

Chairman Pinette corrected the date of the meeting from November 7th to November 5, 2018.

Motion: To approve the minutes of the November 5, 2018 Budget Committee Meeting as amended.

Motioned: Vice-Chair Sununu

Seconded: Frank Ferraro

Vote: Approved 7-0

1ST REVIEW OF SCHOOL PROPOSED FY2020 BUDGET

School Business Administrator Matt Ferreira said the School Proposed FY2020 Budget was level-funded with three (3) primary priorities and objectives, which were to support the Middle School structure, maintain the 1-to-1 laptop program, and continue investment in the Library Learning Commons. He said they were currently looking at a slight increase in enrollment over the next 4-5 years.

School Business Administrator Ferreira stated that the Proposed FY2019/2020 Operating Budget for the North Hampton School District was \$9,143,859 or an increase of \$319,011 (3.61%) over the 2018/2019 budget. He said there were some special contractual or Federal or State mandated reasons for the increase which amounted to \$324,413, and decreases were made to other accounts. He said he was going to go through the budget by function and provide summaries of each functional area.

School Business Administrator Ferreira said Regular Education decreased by \$47,048 and Special Education increased by \$57,409 based on student needs. He said Speech Services decreased \$12,695 and Improvement of Instruction increased by \$20,192. He said there was a significant increase in SAU Services of \$80,807, and said costs were amongst 5 districts looking to change the original SAU model to be more efficient and be able to better pool resources. He said they were also looking to establish a Special Education Director at the SAU level to provide an overall look at working with other districts and provide savings on out-of-district placements. He said it made sense to combine resources and save money.

Vice-Chair Sununu stated the goal was to see savings across the various school districts and coordinate all the schools with Winnecunnet. Assistant School Principal Tracy Griffenhagen explained that if a student needed a very specialized program it would have to be offered by law, and costs could be shared across the districts, reducing costs for out-of-district placements. School Business Administrator Ferreira said costs, as well as the Special Education population, increased significantly which was what they were trying to alleviate by having a Director of Special Education at the SAU level.

Mr. Stanton asked how North Hampton compared with other districts per student in terms of total costs for Special Education. School Business Administrator Ferreira said cost-per-pupil rates for SAU were \$638/pupil, statewide costs for districts of similar size \$836/pupil, and Seacoast costs over \$1,000 per pupil. He said the proposed school FY2020 budget would bring their rate up to \$789 per pupil. Vice-Chair Sununu said there was also a Winnecunnet Budget approved by the School Board, and said North Hampton's budget was added to their share of the \$25 million Winnecunnet Budget.

School Business Administrator Ferreira said Buildings had increased \$18,636, Vehicles increased by \$14,900, and Transportation saw an increase of \$57,260 reflecting a new 5-year contract with an increase in Special Education Transportation as well. He said there was a large increase of \$132,187 for Employee Benefits as a result of the 18.5% guaranteed GMR rate, though actual rates would not be known until March. As a result of this increase, the Health Insurance Account was reduced by \$85,000, with a current balance in the Trust of \$120,000, and said they were currently in negotiations with the Teachers Union. He said there was an inter-fund transfer of \$3,500 for Food Service based on actual expenditures, but overall Food Service had seen a decrease of \$5,849.

School Business Administrator Ferreira reviewed potential Warrant Articles, with SEA Collective Bargaining yet to be determined, Long-Term Maintenance at \$65,000, and Roof Replacement \$60,000, all funds to be raised and appropriated. He said the Expendable Trust Funds for Special Education (\$75,000), Building (\$25,000), and Health (\$75,000) would use Unreserved Fund Balance, and said the Energy Improvements Trust Fund would be dissolved as well as the Building Expansion Capital Reserves. Mr.

Miller suggested moving the Health Fund up in the order of warrants, and Vice-Chair Sununu said they put healthcare last as they had more flexibility.

Default Budget

School Business Administrator Ferreira stated that two slight changes in the default budget law were put in place, and said the default was determined by the previous year's budget and reduced or increased by debt service, contracts, and other obligations and reduced by one-time expenditures. He said language had been added to include reductions of salary and benefits of positions eliminated in the proposed budget, and that Default Budget calculations could be higher or lower. He said the biggest change was that contracts could only be in the Default Budget if previously approved, and only in the amount approved.

School Business Administrator Ferreira said he put together a spreadsheet which showed that the Default Budget for FY2019/2020 was more than the Operating Budget by \$35,045, and he reviewed the variances in the budgets. Vice-Chair Sununu said a printed copy with line-by-line details was provided to the Committee. School Business Administrator Ferreira said because of the changes in the default law, he also ran the entire Default Budget by the New Hampshire Business Association legal counsel. Mr. Stanton said he found this School review to be the most direct and informative of all prior reviews and said the briefing was excellent.

FY2017/2018 Year-End Review

School Business Administrator Ferreira said they ended the year on June 30, 2018, after contributions to Unresolved Fund Balances, with \$512 in the Fund Balance which would be returned to the Town to offset 2018/2019 assessments. He said total unexpended funds equaled \$136,000, with the driver being Health Insurance at \$101,000. He said they also had unanticipated revenues of \$9,600 for Special Education Aid and \$12,000 for pre-school tuitions, and said he was working closely with banks to insure appropriate interest rates.

School Business Administrator Ferreira said current balances of Expendable Trust Funds as of October 2018 showed \$231,000 in Special Education, \$11,000 in Building Maintenance, \$120,000 in Health Care, \$572 for Energy Improvements, \$283 for Building Expansion, and \$15,000 for Technology. He said there was a \$75,000 withdrawal from Special Education for unanticipated professional services which was supplemented out of other accounts. He said there was also an encumbrance carryover of \$3,500 and a transfer of \$30,000 to cover a School Nutrition Fund deficit. He said the audit was conducted and North Hampton received one minor control recommendation.

Chairman Pinette suggested they review the line items at the next Budget Committee Meeting for the School which was set for December 17, 2018. Mr. Stanton requested a copy of the Winnecunnet High School Budget and Chairman Pinette said he should have that information by December 4th. Mr. Ferraro requested that the Committee again be provided with a PDF copy of the books for SAU and for the School.

Vice-Chair Sununu said Dr. William Lupini, the new Superintendent of North Hampton Schools, apologized for not being able to attend and planned to be at the next meeting to review the School Budget.

PERIOD OF PUBLIC COMMENT – None

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ADJOURNMENT

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

The motion was approved by a vote of 7-0 and the Budget Committee Meeting was adjourned at 8:44 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary

DRAFT