



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

**OCTOBER 31, 2022 6:30 PM**

**NORTH HAMPTON TOWN HALL**

***Approved November 17, 2022***

MEMBERS PRESENT: Chairman Rick Stanton, Sean Dionne, Andrew Raucci, Frank Ferraro, George Chauncey, Little Boar's Head Rep Brian Goode, School Board Rep Lisa Gagalis

ABSENT: Vice-Chairman/Select Board Rep James Sununu, Lisa Gallagher

ALSO PRESENT: SAU21 Finance Manager Nancy Tuttle, Town Administrator Mike Tully, Finance Director Ryan Cornwell, Library Director Susan Grant, Library Trustees: Kathleen Kilgore, Susan Leonardi

Chairman Rick Stanton welcomed everyone to the October 31, 2022 North Hampton Municipal Budget Committee Meeting and called the meeting to order at 6:30 pm, followed by the Pledge of Allegiance.

**OLD BUSINESS**

**Approve Minutes of August 22, 2022**

*Moved to later in agenda*

**NEW BUSINESS**

Chairman Stanton changed the agenda to the order of documents received.

**Review Year-End Spending FY2023 & Default Budget FY2024 of North Hampton School District**

SAU21 Finance Manager Nancy Tuttle said the Fall Budget is prior-year budget plus/minus contracted services and one-time payments, most mandated by law or are part of Collective Bargaining Agreement (CBA). CBA contract expires June 30 of this year so no contractual obligations in this year's Default; will be in Warrant Article for CBA. She said there is also a decrease due to transfer from Contracted Services to in-house services.

Chairman Stanton opened the meeting to questions from Committee members. Mr. Ferraro said some staffing changes show higher salaried employees replaced with lower-salary employees resulting in a reduction. Finance Manager Tuttle said they are contractual obligations and part of the CBA. Mr. Dionne

asked about tuition obligations; Finance Manager Tuttle said that is Out-of-District Tuition for Special Education students mandated by IEP.

Chairman Stanton asked about salary adjustments for non-union employees; Finance Manager Tuttle said there is a 7% cost-of-living adjustment (COLA) in the Budget for non-union employees. Ms. Gagalis added that the FY2023-2024 Budget has not yet been finalized by the School Board. Mr. Goode said he assumed the \$83,000 reduction in Special Services is corresponding with the \$68,000 increase, and once retirement and benefits are added it will probably go over the \$83,000. Finance Manager Tuttle agreed and said this is IEP mandated service that needs to be covered and was changed to be put in the Budget.

Mr. Ferraro said he believes with the Default you cannot add in new people if they were already covered by the \$83,000; Finance Manager Tuttle said she would review it with School Business Administrator Matt Ferreira. Chairman Stanton asked about the lawsuit against the State saying some things in Special Education are not required by the constitution and should not be charged. Ms. Gagalis said she would track it and follow up with the Budget Committee.

#### **Elementary and Secondary School Emergency Relief Fund**

Chairman Stanton said the school received a certain amount of funds because of COVID. Finance Manager Tuttle said it is Federal money and stays as a grant fund, is not part of the general budget, and is tracked and recorded separately as reimbursement from the State. Chairman Stanton asked how much was carried over; Finance Manager Tuttle said very little as ESSER-1 is now closed, ESSER-2 is pretty much fully expended, and ESSER-3 is open until 2024, each grant allowing 3 years to spend.

Finance Manager Tuttle said the school did not choose to send any funds for retaining this year. Mr. Ferraro said that will not take affect until June 30 next year, and said the Executive Council approved additional funds of \$45,000 for North Hampton School. Finance Manager Tuttle said that is the SAFE Grant and North Hampton School received the first funding of \$45,000 which they will use for safety film for the windows; may possibly get more. She said the Public Hearing for Winnacunnet is set for January 11, 2023.

#### **Review Year-End Spending FY2023 & Default Budget FY2024 of North Hampton Public Library**

Susan Leonardi, Library Trustee, said the Library celebrated their first-year anniversary in the new building and saw a 38% increase in visitors, meeting rooms up by 117%, increase in circulation 6%, and 80% in Library cards issued showing more movement in the community. She said the biggest increase was in the Youth Program and there was an increase in community partnerships.

Library Trustee Kathleen Kilgore said for the Default Budget we have no contractual obligations and added a minimal increase for health expenses; last year's place settings were carried over and actual numbers will be shown in amended Budget.

Mr. Ferraro said under expenditures in the Director's Report is a line for leased equipment and said no contract appears to be built in. Ms. Leonardi said these are copiers on a 4-year contract at a fixed rate. Mr. Ferraro asked about the \$471 listed for New Library, and Library Director Grant said it was for a new Train Table. Mr. Goode asked why receipts and expenditures were not in the actual budget. Director Grant said this is the Town Report and not the actual Budget and items were paid for using non-appropriated funds. She said last year the Library used \$16,000 in non-appropriated funds to supplement the \$417,000 Budget.

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Chairman Stanton asked about utilities and asked if the Library is on a separate water meter. Director Grant said there are 2 separate accounts: one for a hydrant at \$160/month, and a Water Account for the building, both Aquarion. Chairman Stanton suggested the Library may be better off drilling a well and would then only have to pay electricity, and asked how they were estimating electrical costs. Director Grant said the Library now has 12 months of electric bills which average out to about \$1,800/month; utilities only increased 77% in the new building.

Mr. Goode said he was confused with the concept of how the Library is doing their budget. Mr. Ferraro explained that unanticipated donations can be spent as the Library deems necessary which would have made the budget bigger; but because the budget was all they could expend, they used \$16,000 of non-appropriated funds as well, which do not go into a budget or a default budget as it is unanticipated revenue. Mr. Dionne asked about additional security measures wanted last year; Ms. Kilgore said that was tabled at last Town vote and is on hold for now.

### **Review Year-End Spending FY2023 & Default Budget FY2024 of Town of North Hampton**

Town Administrator Tully distributed the Town Budget Books to Committee members. Chairman Stanton said the Fire Chief will allow us to use his dispatch office if we have items for distribution to the Budget Committee. Mr. Ferraro asked that all budget books be made available electronically and budget spreadsheets be available in Excel format. Town Administrator Tully said he would send things out electronically and bring hard copies as requested.

Town Administrator Tully reviewed FY2023 Year-End Spending: \$7,694,313 plus Warrant Articles of \$459,743 gave a new Budget of \$8,154,056, plus prior-year encumbrances of \$20,633.32 from FY2021 Budget, less current-year encumbrances of \$48,719.75 equals \$8,125,969. Budgetary Expenses of \$8,039,152, Budget Returned to Fund Balance: \$86,817.02 includes \$80,718 in General Fund Operating Budget and \$6,098 in General Fund Warrant Articles. Year-End Encumbrances: Police \$25,914, Fire & Rescue \$350, Highways/Streets \$18,800, Conservation Commission \$3,655; adjusted General Fund Revenue Budget \$8,154,056, Budgetary Revenues \$8,265,594, Revenues in Excess of Budget \$111,538 with unexpended back into General Fund.

Where revenue comes from: Property Taxes \$6,113,772, Motor Vehicles \$1,407,990, Rooms & Meals Distribution \$336,374, Building Permits \$122,655 (restructured), and smaller amounts. Unanticipated Revenue \$546,260 with \$184,392 spent; restricted for specific purposes (ARPA) \$286,863; net change from non-budgetary activity \$75,003. Prior-Year Unassigned \$2,116,482, Change in General Fund \$293,359, use of Unassigned Fund Balance \$930,279, Current-Year Unassigned Fund Balance \$1,459,568 or 6.74% of Budget.

Preliminary Default: not all numbers yet available; FY2023 General Fund Approved Operating Budget \$8,325,628; FY2024 General Fund Default Operating Budget \$8,680,386; change of \$357,758 or 4.26%. Where does money come from: decrease in retirement contribution \$1,042, Town Clerk/Elections \$380, savings in Financial and Personnel Administration, Planning & Zoning, insurance increases; changes made to how the Town does Health Insurance which will be covered during Budget Presentation.

Town Administrator Tully said there were some savings in Police, a jump in Fire & Rescue to \$64,605 and a lot due to demographic shifts from employees in Health Insurance; some savings in Code Enforcement, Emergency Management, Streets & Highways \$20,908; savings in Hydrants, Parks & Recreation, Debt

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Service principal and interest for a total of \$354,758. Out of 4.26% of Default Budget, 3.56% due to Debt Service. He said information will be adjusted once the Town has the Library information.

Mr. Ferraro asked if under Debt Service the town has started any payments on the new Safety Complex. Finance Director Cornwell said the first payment will be in February; this year we are in a single interest payment and next year budgeting for full bore interest and principal going forward. He said there will be more of an increase from 2023-2024 because it is pulling in second piece of interest and full piece of principal.

**ANY OTHER ITEM THAT MAY LEGALLY COME BEFORE THE COMMITTEE**

Chairman Stanton reviewed the Budget Calendar and said on Monday November 14, 2022 School Books will be distributed. Mr. Ferraro said he would not be able to attend the meeting of November 21 and asked to participate by Zoom; Chairman Stanton asked Town Administrator Tully to set up Zoom for that meeting.

**MINUTES**

**Approve Minutes of August 22, 2022**

Mr. Dionne made a motion to approve the Budget Committee meeting minutes of August 22, 2022 as presented; Seconded by Mr. Chauncey; Motion approved 7-0

**PERIOD OF PUBLIC COMMENT**

**Next Budget Committee Meeting:** November 17, 2022

**ADJOURNMENT**

Chairman Stanton adjourned the Municipal Budget Committee Meeting at 7:43 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary