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

4 **NOVEMBER 1, 2021 6:00 PM**

5 **NORTH HAMPTON TOWN HALL**

6 ***DRAFT MINUTES***  
7

8 MEMBERS PRESENT: Chairman Rick Stanton, Vice-Chairman Brian Goode, George Chauncey, Frank  
9 Ferraro, Sean Dionne, Andrew Raucci, Charles Gallant, Select Board Rep James Sununu

10 ABSENT: School Board Rep Tom Von Jess

11 ALSO PRESENT: Town Administrator Michael Tully, Finance Director Ryan Cornwell  
12

13 **AGENDA**

14 Chairman Rick Stanton welcomed everyone to the November 1, 2021 North Hampton Municipal Budget  
15 Committee Meeting and called the meeting to order at 6:00 pm, followed by the Pledge of Allegiance.  
16

17 **OLD BUSINESS**  
18

19 **Confirm Calendar2 Changes**

20 Chairman Stanton asked for a Motion to accept the Calendar2 changes which will be posted as official  
21 and annotated at the bottom.  
22

23 Mr. Ferraro made a motion to approve the changes to Calendar2 which was seconded by Vice-Chair  
24 Goode. Motion was approved by a vote of 8-0.  
25

26 **Approval of Minutes**  
27

28 **Minutes of August 23, 2021**

29 Mr. Sununu made a motion to approve the August 23, 2021 minutes as presented; seconded by Vice-  
30 Chair Goode; Motion approved by a vote of 8-0.  
31

32 **Minutes of April 22, 2021**

33 Mr. Sununu made a motion to approve the April 22, 2021 meeting minutes as presented; seconded by  
34 Vice-Chair Goode; Motion approved by a vote of 8-0.

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36 **Minutes of April 5, 2021**

37 Mr. Sununu made a motion to approve the April 5, 2021 meeting minutes as presented; seconded by  
38 Vice-Chair Goode; Motion approved by a vote of 8-0.

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40 **Minutes of January 19, 2021**

41 Vice-Chair Goode made a motion to approve the January 19, 2021 meeting minutes as presented;  
42 seconded by Mr. Dionne; Motion approved by a vote of 8-0.

43

44 **NEW BUSINESS**

45

46 **Review Year-End Spending Report & FY2023 Default Budget – North Hampton School**

47

48 **FY2021 Year-End Summary**

49 School Business Administrator Matt Ferreira said auditors closed the books for FY2021 with an  
50 Unreserved Fund Balance of \$371,627 returned to offset assessment for FY2021-2022; Winnacunnet  
51 returned \$1.6 Mil with \$250,000 to North Hampton. The 2 primary funds are unexpended fund balance  
52 and excess revenues and there were fluctuations due to COVID, with some funds over-expended and  
53 some under-expended.

54

55 Mr. Ferreira said for Revenue they anticipate receiving funds from various sources: property taxes, State  
56 Adequacy Aid through SWEPT, Medicaid reimbursement, and Federal Stimulus funds; unanticipated  
57 funds: State funds through SPSRF, donations, Special Education Aid, more Medicaid reimbursement than  
58 expected. COVID also affected health insurance premiums resulting in a rebate of \$39,000 as well as  
59 other insurance rebates, funds not expended from Unreserved Fund Balance, and excess revenues, as  
60 well as carryover from prior year.

61

62 Mr. Ferreira reviewed Expendable Trust balances: Special Education \$363,000, Building Maintenance  
63 \$143,000, Health Care \$199,000, Technology \$15,600, which act as contingency. He said a \$27,000  
64 withdrawal was made from long-term maintenance for Homeland Security projects; \$25,742 in  
65 encumbrances carried forward from FY2021 to 2021/2022; School Nutrition had a transfer from General  
66 Fund to Food Service of \$36,414; intent for Food Service is to be budget neutral and that deficit is  
67 budgeted every year.

68

69 Mr. Ferreira said for this School Year all meals will be free to all students from extension of Federal  
70 Government funding. The Security Audit revealed policies need updating, an ongoing project, and a  
71 check deposited late. Chairman Stanton said he was concerned that first responders need to know  
72 about security deficits, and Town Administrator Tully said Police and Fire review security issues with the  
73 school and are aware of any deficiencies. Mr. Ferreira said an SAU21 Emergency Response Committee  
74 was formed headed by Assistant Superintendent.

75

76 **Default Budget for School FY2022-2023**

77 The Default Budget is the prior year budget increased by Debt Service, contracts, and other obligations,  
78 and reduced by any one-time expenditures or elimination of a position. Mr. Ferreira said the spread  
79 sheet shows the Default Budget versus prior year and shows a variance and said he would touch on the  
80 accounts with increase or decrease and the reason.

81  
82 Contractual agreements: 2 CBAs as well as CESPAs; Contracted Services: an ESOL teacher contracted by  
83 SAU; Special Education: significant increase of \$117,000 for out-of-district placement; Guidance, Health,  
84 and Speech Services: teachers are regular union CBA; Importance of Instruction: \$2,000 reduction for  
85 one-time expenditure; Education Media & Technology: CBA requirements; slight increase under Services  
86 SAU Staff which is budgeted directly into Default under districts; Equipment: reduction of \$12,000 (one-  
87 time expenditure); Transportation including Spec Ed Transportation: \$57,000; slight change in Debt  
88 Service; Employee Benefits CBA and CESPAs adjustments. Mr. Ferreira said the School Board has not yet  
89 approved the School Budget and the Default could change.

90  
91 Vice-Chair Goode questioned Default Account 411 Salaries/Certified Staff which decreased by \$86,000;  
92 Mr. Ferreira said he would check with School Board. Mr. Ferraro asked about the Special Education  
93 Salaries/Certified Staff increase of 9% and Mr. Ferreira said 2.75% COLA is added as well as steps and the  
94 increase was due to staffing changes.

95

96 **Review Year-End Spending Report & FY2023 Default Budget – North Hampton Library**

97  
98 Library Trustee Kathleen Kilgore reviewed year-end and said there was not much for salaries last year  
99 due to COVID; there was much more demand for digital media through the Library and they had to  
100 increase their bandwidth. With the move the Board entered into contracts for better pricing on digital  
101 media; some repairs on building and facilities were higher than expected to get them through to the  
102 new building; changing computer services to go into new building.

103  
104 Vice-Chair Goode said on the first page of the presentation the Budget went \$300 over the approved  
105 Budget which cannot be done. Ms. Kilgore said the Library is part of the Town's Budget and the Town  
106 cannot go over their bottom-line. Vice-Chair Goode said the Library is now separating from the Town  
107 Budget and has to act the same. Mr. Sununu asked for more details on significant increases and over-  
108 expenditures: such as Library supplies \$8,000 over; media \$55,000 over a \$31,000 Budget; AD materials  
109 budgeted at \$2,200 with \$37,900 spent.

110  
111 Ms. Kilgore said the Default is our FY2022 Budget modified by any contractual obligations; no employees  
112 are under contract and salaries were flat lined across from FY2022 to FY2023; only changed item was  
113 Healthcare Costs.

114

115 **Review Year-End Spending Report & FY2023 Default Budget – Town of North Hampton**

116

117 **FY2021 Operating Budget**

118 Town Administrator Tully said the Budget started with \$7,426,422; General Fund Warrants \$980,500;  
119 total appropriations General Fund Budget \$8,406,922; add prior year (FY2020-2021) encumbrances  
120 \$21,380.94, less current year (FY2021-2022) encumbrances \$20,633.32, General Fund Expenditures

121 Budget = \$8,407,669.62; budgetary expenditures -\$8,199,740.03; budget returned to Fund Balance =  
122 \$207,929.59 (\$131,334.53 General Fund Operating Budget and \$76,595.06 General Fund Warrants).

123  
124 FY2021 Current-Year Encumbrances: General Government Buildings \$8,906.96; Cemeteries \$4,160;  
125 Police \$7,567.36; total \$20,633.32. Revenue Budget planned \$8,406,922 less \$190,000 of Unassigned  
126 Fund Balance, for adjusted General Fund Revenue Budget of \$8,216,922; Budgetary Revenues  
127 \$8,473,012.82, revenues in excess of Budget 256,090.82.

128  
129 Sources of revenues for the Town include Rooms & Meals distribution, Property Taxes of \$6,114,376.40,  
130 Motor Vehicles \$1,432,404.52 and Highway Block Grant; also unanticipated revenue of \$161,000.  
131 Budget numbers returned to Fund Balance approximately \$207,000, Revenues about \$256,000, for total  
132 Fund Balance of \$439,000 (unaudited); thinking \$1.2 Mil in Fund Balance. Select Board policy is between  
133 5% and 12% with target of 8% and this puts us at 9%.

134  
135 **FY2023 Default Budget**  
136 Town Administrator Tully said the FY2022 approved Operating Budget of \$7,694,000 in Default Budget  
137 for FY2023 came in at \$7,893,000, for a change of 2.59%. Changes: Personnel Administration increase of  
138 \$5,866 (Health Insurance); Insurance \$29,759 increase due to Workman's Comp; Police increase of  
139 \$80,111 for salaries/health insurance; Fire & Rescue \$74,353 salaries/health insurance/retirement;  
140 Highway up \$17,814; Debt Service Principal up \$13,975; Debt Service Interest less \$13,754 for total  
141 increase of \$199,124 for Default Budget.

142  
143 **ANY OTHER ITEM THAT MAY LEGALLY COME BEFORE THE COMMITTEE**

144  
145 Mr. Ferraro said there is a State Program to help with property taxes for low-income residents, which he  
146 researched at NH Department of Revenue Administration, and asked that reference information be  
147 provided to residents.

148  
149 Town Administrator Tully said Budget Books are completed and available in Town Office; will be moved  
150 to Fire Station at close of business today. Mr. Dionne thanked Chief Lajoie for the huge savings on the  
151 Ambulance purchase.

152  
153 **PERIOD OF PUBLIC COMMENT**

154  
155 **Next Meeting:** November 15, 2021

156  
157 **ADJOURNMENT**

158 Vice-Chair Goode made a motion to adjourn the meeting which was seconded by Mr. Ferraro. Chairman  
159 Stanton adjourned the Budget Committee Meeting at 7:02 pm.

160 Respectfully submitted,

161 Patricia Denmark, Recording Secretary