



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

DECEMBER 21, 2020 6:00 PM

NORTH HAMPTON TOWN HALL

Approved January 19, 2021

MEMBERS PRESENT: Chairman Jonathan Pinette, Vice-Chair Brian Goode, Select Board Rep Larry Miller, Rick Stanton, Tamara Le, George Chauncey, Frank Ferraro

VIA ZOOM: School Board Rep Tom von Jess, Margaret Delano

ALSO PRESENT: Town Administrator Michael Tully, Finance Director Ryan Cornwell, Public Works Director John Hubbard

VIA ZOOM: Library Trustees: Susan Leonardi, Kathleen Kilgore, Jaqueline Brandt, Emily Creighton; Library Director Susan Grant

AGENDA

Chairman Jonathan Pinette welcomed everyone to the December 21, 2020 North Hampton Municipal Budget Committee Meeting and called the meeting to order at 6:03 pm, followed by the Pledge of Allegiance.

Roll-Call Attendance: Larry Miller-present, George Chauncey-present, Rick Stanton-present, Tamara Le-present, Jonathan Pinette-present, Brian Goode-present, Frank Ferraro-present, Tom von Jess-present, Margaret Delano-present

OLD BUSINESS – None

NEW BUSINESS

Minutes of the Budget Committee Meeting of December 7, 2020

Motion: To approve the Budget Committee Meeting Minutes of December 7, 2020 as presented.

Motioned: Vice-Chair Goode

Seconded: Mr. Ferraro

Roll Call Vote: George Chauncey-aye, Rick Stanton-aye, Larry Miller-aye, Tamara Le-aye, Jonathan Pinette-aye, Brian Goode-aye, Frank Ferraro-aye, Tom von Jess-aye, Margaret Delano-aye

Motion approved by a vote of 9-0

Second Review of Town FY2021-2022 Proposed Operating Budget

Chairman Pinette opened a discussion to any line item questions by Committee members.

Motion: To add \$29,250 (Default amount) to the FY2021/2022 Town Budget increasing the total Budget from \$7,659,328 to \$7,688,578.

Motioned: Ms. Le

Seconded: Mr. Chauncey

Discussion: Ms. Le said she was speaking in terms of lines 4415-Health Agencies & Hospitals and 4440-Social Services. She said these organizations have been supported in the past with nominal amounts but are currently zeroed out in this Town Budget. She said she requested a line or two about each organization and was blown away by how much service the Town receives for a small amount (roughly \$29,000) of tax dollars. She reviewed several of the organizations and listed services provided to the Town from Seacoast Mental Health, Haven, Richie McFarland, Waypoint Child & Family Services, Rockingham Nutrition Meals on Wheels, and Crossroads House. She said she does not anticipate these needs going down especially with the pandemic.

Town Administrator Tully explained that any of these organizations have to provide a “public good” to the community through a system of information that needs to be filled out stating how many people are being served and the paperwork comes back to Finance Director Cornwell. He said the motion asking for \$29,000 should be corrected to \$24,999, the same as last year.

Motion Withdrawn: Mr. Chauncey withdrew his second and Ms. Le withdrew her motion

Motion: To add the total Social Services and Health Agencies/Hospitals line items of \$24,999 to the Town FY2021/2022 Operating Budget bringing the total to \$7,684,327 (3.6%).

Motioned: Ms. Le

Seconded: Mr. Chauncey

Discussion: Mr. Goode asked if there is now a process in place where an organization has to come to the Town to request the funding, and Town Administrator Tully said yes. Mr. Ferraro said all of those organizations are worthwhile and provide general assistance to Town residents, but the Budget submitted to the Budget Committee was an increase of 3.136% and this would make it 3.6%, which is going the wrong way. He said he had no problem adding the funding but an offset for that amount needed to be found in the Budget.

Ms. Le said most of these requests are level-funded and servicing residents close to the line is a priority. Selectman Miller said the amount of those service agencies is pretty minimal and said he supports the motion, and said it is also possible for the Select Board to take a Warrant Article to fund that which he would support as well. Mr. Stanton said he was opposed to putting it back in the Budget for transparency and recommended the Warrant Article approach allowing citizens to participate in the decision-making at Deliberative.

Ms. Le said she would support a Warrant Article as well but not in place of putting it in the Town Budget and wanted it in the Budget as well. She suggested setting up some sort of account where people could

be serviced. Mr. Ferraro said he would oppose any kind of Warrant Article that tried to build up a reserve fund for Social Services and supported putting the money in the Budget. Vice-Chair Goode said they would be making a huge mistake to support an on-going Warrant Article for Social Services and said he supports the motion to put the money in the Budget. Mr. von Jess said he supports this investment in Social Services but also supports keeping the Budget down.

Selectman Miller said they level-funded most of the Budget except the Library; he said a Select Board Warrant would not affect the Budget and would allow residents to make the decision. Town Administrator Tully offered to again review the rundown of the 3 drivers of this Budget. Chairman Pinette said the motion is to add \$24,999 to the overall Budget, and Finance Director Cornwell said that would bring the FY2021/2022 Town Operating Budget to \$7,684,327 for an increase of 3.6%.

Roll Call Vote: George Chauncey-aye, Rick Stanton-nay, Larry Miller-aye, Tamara Le-aye, Jonathan Pinette-aye, Brian Goode-aye, Frank Ferraro-nay, Tom von Jess-aye, Margaret Delano-aye
Motion approved by a vote of 7-2

Town Administrator Tully bringing the Budget to 3.1% had 3 drivers: Health Insurance increases, Retirement costs, and payment for a new Library voted on last year. He said the Library is 1.9% of the total 3.1% and the Town is 1.2%, which is not an unreasonable amount. He said they cut significantly in a lot of areas and cut 2 positions previously funded but unfilled to stay reasonable with what we are facing today with COVID-19. Chairman Pinette said this increases the Town to 1.6% with 1.9% for the Library.

Mr. Ferraro asked if the Town pays the tipping fees for all trash originating in North Hampton regardless of which company transports and tips the trash at the Rochester landfill. Public Works Director Hubbard said yes however the Town does not dictate to contractors but does give homeowners the ability to choose the contractors which is included in the Waste Management charge to the Town.

Mr. Chauncey proposed a change to line item 4550 for North Hampton's Public Library; he said the Library proposed a Budget of \$420,217.46, a reduction of \$8,997.54, and the line-item total is \$407,014 in the Town Budget and he supports the Library Budget.

Motion: To increase line item 4550-North Hampton Public Library from \$407,014 to \$420,217.46.

Motioned: Mr. Chauncey

Seconded: Ms. Le

Discussion: Selectman Miller asked the opening date for the new library; Library Trustee Susan Leonardi said they are scheduled to finish construction and be in the new Library Building in June; this will be the new Budget with the new building. Selectman Miller said there is a Budget for the Library to be in the building until the end of FY2021 and if they leave before then they will not need the money. Mr. Ferraro said the construction being complete in June does not mean the move will be completed. Chairman Pinette asked the Library Trustees if there is any penalty for contractors to work past the deadline. Ms. Leonardi said they will finish this building and keep working until it is completed.

Mr. Ferraro said the Town had \$7,500 for natural gas under utilities, but the Library will be all electric heat estimated at \$19,000; a \$4,000 difference there towards the Library Budget. Vice-Chair Goode said he would like to take the Library's Budget as proposed and adjust some of the line items, and said he finds savings of \$33,000 from the Library's Budget numbers: savings in the first year from elimination of an IT position, keeping Custodial Services at 2 times/week, and reducing Utility and Water costs. He

recommended not taking all of that savings but reducing the Library Budget by a certain amount. Mr. Chauncey said regarding Water, the Library will be putting in a lawn irrigation system. Mr. Ferraro said the savings in IT was eaten up by hourly staff increases.

Mr. Stanton said he has two issues: (1) the Merit Pool using \$3,312 for 2 fulltime employees and a few part-time employees and would like to see that line item zeroed out and money added to the Bookkeeper line instead; (2) for Payroll Expenses either use the Town Bookkeeper or consolidate some of those services. Mr. Ferraro said the Town also has a Merit Pool of 2% and said he supported reducing both to 1%. He said Library COLA increase is 1.2% and should be the same as the Town at 0.8%. Mr. Stanton said the Town has checks and balances for assigning Merit Pay, but the Library has 3 Trustees assigning \$3,000 without any kind of transparency and it is not monitored.

Library Trustee Chairman Kathleen Kilgore said Library Director Susan Grant operates administratively for the Library as does Mr. Tully for the Town and said there is a process. She said regarding the performance of construction there is a Performance Bond associated with the Bonnette Page & Stone contract and if they do not perform, we will execute that Bond Performance.

Chairman Pinette said Mr. Chauncey's proposal is for \$420,217.46 which is \$13,203.46 above the \$407,014 line item.

Roll Call Vote: Larry Miller-nay, George Chauncey-aye, Rick Stanton-nay, Tamara Le-aye, Jonathan Pinette-nay, Brian Goode-nay, Frank Ferraro-aye, Tom von Jess-nay, Margaret Delano-nay
Motion failed by a vote of 6 -3

Motion: To reduce the Library line item in the Budget to \$390,217, decreasing the Town FY2021/2022 Operating Budget by \$16,921.

Motioned: Vice-Chair Goode

Seconded: Mr. Stanton

Discussion: Vice-Chair Goode explained that the amount was based on \$6,000 savings in Custodial Services back to 2 times/week, adding a percent of the \$35,000 saved from changing IT into the service contract line in Salaries, and the increase in computer systems and software where the Budget increased from \$3,500 to \$11,000 for a savings of approximately \$25,000. Mr. Ferraro asked if the reduction was from the current figure in the Book, and Vice-Chair Goode said he was reducing the proposed Library Budget of \$420,000 not the spreadsheet.

Ms. Leonardi said the Library already submitted a Budget far less than last year and are moving into a larger building and costs will adjust over time. Chairman Pinette questioned the 1.2% COLA increase for Library employees with only a 0.8% increase for Town employees. Town Administrator Tully said the Town is using a scale that is purely COLA with merit on top and COLA was 0.8% in August. Library Director Susan Grant said the \$19,000 for Custodial services is not an exorbitant amount for cleaning a brand-new building. She said they hired a consulting group and IT is now moved to the Computer Services line; the IT person left which was a \$34,000 amount then divided between a new IT person and a new Youth Librarian Assistant.

Motion Withdrawn: Mr. Stanton withdrew his second and Vice-Chair Goode withdrew his motion to reduce the Library line item to \$390,217.

Motion: To reduce the Library line item in the Town Budget to \$405,000, a reduction of \$2,014.

Motioned: Vice-Chair Goode

Seconded: Mr. Stanton

Discussion: Mr. Ferraro said the reduction was to the Select Board Budget and asked if Vice-chair Goode agreed with their other provisions. Vice-chair Goode asked which Budget they were voting on here, and Mr. Stanton said they are voting on the Town Budget line item for \$407,014. Mr. Ferraro said it is at least \$4,000 too low because of the Utilities cost. Chairman Pinette said he had a problem with using electric heat which is the most expensive unless they have solar panels. Mr. Ferraro said it would cost \$150,000 to run a natural gas line to the building.

Ms. Leonardi said there is a Security System as well as more IT equipment going into this building so utility costs for electricity are estimated and still unknown. She said this energy system will take care of heat as well as air versus having 2 separate energy systems needing more space. Mr. Stanton said if you have a lean budget and think you may go over you can go to the Select Board like any other department in Town.

Roll Call Vote: Larry Miller-aye, George Chauncey-nay, Rick Stanton-aye, Tamara Le-nay, Jonathan Pinette-aye, Brian Goode-aye, Frank Ferraro-nay, Tom von Jess-nay, Margaret Delano-aye

Motion approved by a vote of 5-4

Motion: To increase the number just voted on to \$410,000 to account for utility costs.

Motioned: Mr. Ferraro

Seconded: Mr. Chauncey

Roll Call Vote: Larry Miller-nay, George Chauncey-aye, Rick Stanton-nay, Tamara Le-nay, Jonathan Pinette- nay, Brian Goode- nay, Frank Ferraro-aye, Tom von Jess-nay, Margaret Delano-nay

Motion failed by a vote of 7-2

Chairman Pinette asked where they were on a bottom line, and Finance Director Cornwell said the current Proposed Town Operating Budget for FY201/2022 stands at \$7,682,313, an increase of \$255,891 over the prior year of 3.44%.

Further Discussion: Ms. Le said line item 4711-Debt Service Principal has increased 45% from \$145,000 to \$211,000. Finance Director Cornwell said that is for the Library. Mr. Ferraro said about 30% of the population is unemployed and people over 65 received no raises this year due to COVID-19, and a Budget increase of 3.4% is unacceptable and recommended a 2% increase in the bottom line over the FY2021 approved Budget. Finance Director Cornwell said a 2% increase on the prior-year Operating Budget would be an increase of \$148,528 for a Budget of \$7,574,950.

Motion: Move a Town FY2022 Operating Budget of \$7,574,950, a 2% increase over the FY2021 prior-year Approved Budget.

Motioned: Mr. Ferraro

Seconded: Mr. Chauncey

Discussion: Selectman Miller objected and asked that Town Administrator Tully explain again where the increases came from. Town Administrator Tully said the 3 big drivers of the Town FY2022 Operating Budget were Retirement costs, Health Insurance increases, and the choice of the public last year to purchase a new Library building. Chairman Pinette asked Mr. Ferraro if he was going after the Library for

the \$148,000. Town Administrator Tully said the motion is for a significant amount of money which would mean significant cuts probably with personnel and the Select Board will make the determination of where they want to make those cuts.

Motion Withdrawn: Mr. Ferraro said as this comes down to personnel cuts, he will withdraw his motion; Mr. Chauncey withdrew his second.

Chairman Pinette said this can all change at Deliberative Session and they should vote on the final budget here. Mr. Ferraro said the Select Board is meeting tomorrow to discuss Warrant Articles and suggested tentatively scheduling a Budget Committee meeting for January 4th to discuss Warrants. Chairman Pinette said they could, but other Warrants may come in after that date.

Motion: To approve the Town FY2021/2022 Operating Budget of \$7,682,313.

Motioned: Mr. Stanton

Seconded: Selectman Miller

Roll Call Vote: Larry Miller-aye, George Chauncey-nay, Rick Stanton-aye, Tamara Le-aye, Jonathan Pinette- aye, Brian Goode- aye, Frank Ferraro-aye, Tom von Jess-aye, Margaret Delano-aye

Motion approved by a vote of 8-1

ANY OTHER ITEM THAT MAY LEGALLY COME BEFORE THE COMMITTEE.

Discussion of January 4th Budget Committee Meeting: Chairman Pinette said the last date to post Warrants is January 25th; for Citizens Petitions January 12th. Town Administrator Tully said they can schedule January 4, 2021 to discuss Warrants and either put out an agenda or not.

Chairman Pinette thanked the Budget Committee members for their homework and participation in a difficult time.

PERIOD OF PUBLIC COMMENT

NEXT MEETING: Reserve Date – January 4, 2020

ADJOURNMENT

Motion: To adjourn the Budget Committee Meeting of December 21, 2020.

Motioned: Vice-Chair Goode

Seconded: Mr. Stanton; and motion to wish everyone in town a Merry Christmas and a safe Holiday

Roll-Call Vote: Larry Miller-aye, George Chauncey-aye, Rick Stanton-aye, Tamara Le-aye, Jonathan Pinette-aye, Brian Goode-aye, Frank Ferraro-aye, Tom von Jess-aye, Margaret Delano-aye

Motion approved by a vote of 9-0

Chairman Pinette adjourned the Municipal Budget Committee Meeting at 8:04 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary