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

4                                   **DECEMBER 21, 2020     6:00 PM**

5                                   **NORTH HAMPTON TOWN HALL**

6                                   ***DRAFT MINUTES***

7 MEMBERS PRESENT: Chairman Jonathan Pinette, Vice-Chair Brian Goode, Select Board Rep Larry Miller,  
8 Rick Stanton, Tamara Le, George Chauncey, Frank Ferraro  
9 VIA ZOOM: School Board Rep Tom von Jess, Margaret Delano

10 ALSO PRESENT: Town Administrator Michael Tully, Finance Director Ryan Cornwell, Public Works Director  
11 John Hubbard  
12 VIA ZOOM: Library Trustees: Susan Leonardi, Kathleen Kilgore, Jaqueline Brandt, Emily Creighton; Library  
13 Director Susan Grant

14  
15                                   **AGENDA**

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

19  
20 **Roll-Call Attendance:** Larry Miller-present, George Chauncey-present, Rick Stanton-present, Tamara Le-  
21 present, Jonathan Pinette-present, Brian Goode-present, Frank Ferraro-present, Tom von Jess-present,  
22 Margaret Delano-present

23  
24 **OLD BUSINESS** – None

25  
26 **NEW BUSINESS**

27  
28 **Minutes of the Budget Committee Meeting of December 7, 2020**

29  
30 **Motion:** To approve the Budget Committee Meeting Minutes of December 7, 2020 as presented.

31 **Motioned:** Vice-Chair Goode

32 **Seconded:** Mr. Ferraro

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

35 *Motion approved by a vote of 9-0*

36

37 **Second Review of Town FY2021-2022 Proposed Operating Budget**

38

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

40

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

43 **Motioned:** Ms. Le

44 **Seconded:** Mr. Chauncey

45

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

54

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

59

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

61

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

64 **Motioned:** Ms. Le

65 **Seconded:** Mr. Chauncey

66

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

73

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

80

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

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

88  
89 Selectman Miller said they level-funded most of the Budget except the Library; he said a Select Board  
90 Warrant would not affect the Budget and would allow residents to make the decision. Town Administrator  
91 Tully offered to again review the rundown of the 3 drivers of this Budget. Chairman Pinette said the  
92 motion is to add \$24,999 to the overall Budget, and Finance Director Cornwell said that would bring the  
93 FY2021/2022 Town Operating Budget to \$7,684,327 for an increase of 3.6%.

94  
95 **Roll Call Vote:** George Chauncey-aye, Rick Stanton-nay, Larry Miller-aye, Tamara Le-aye, Jonathan  
96 Pinette-aye, Brian Goode-aye, Frank Ferraro-nay, Tom von Jess-aye, Margaret Delano-aye  
97 *Motion approved by a vote of 7-2*

98  
99 Town Administrator Tully bringing the Budget to 3.1% had 3 drivers: Health Insurance increases,  
100 Retirement costs, and payment for a new Library voted on last year. He said the Library is 1.9% of the total  
101 3.1% and the Town is 1.2%, which is not an unreasonable amount. He said they cut significantly in a lot of  
102 areas and cut 2 positions previously funded but unfilled to stay reasonable with what we are facing today  
103 with COVID-19. Chairman Pinette said this increases the Town to 1.6% with 1.9% for the Library.

104  
105 Mr. Ferraro asked if the Town pays the tipping fees for all trash originating in North Hampton regardless  
106 of which company transports and tips the trash at the Rochester landfill. Public Works Director Hubbard  
107 said yes however the Town does not dictate to contractors but does give homeowners the ability to  
108 choose the contractors which is included in the Waste Management charge to the Town.

109  
110 Mr. Chauncey proposed a change to line item 4550 for North Hampton's Public Library; he said the Library  
111 proposed a Budget of \$420,217.46, a reduction of \$8,997.54, and the line-item total is \$407,014 in the  
112 Town Budget and he supports the Library Budget.

113  
114 **Motion:** To increase line item 4550-North Hampton Public Library from \$407,014 to \$420,217.46.

115 **Motioned:** Mr. Chauncey

116 **Seconded:** Ms. Le

117  
118 Discussion: Selectman Miller asked the opening date for the new library; Library Trustee Susan Leonardi  
119 said they are scheduled to finish construction and be in the new Library Building in June; this will be the  
120 new Budget with the new building. Selectman Miller said there is a Budget for the Library to be in the  
121 building until the end of FY2021 and if they leave before then they will not need the money. Mr. Ferraro  
122 said the construction being complete in June does not mean the move will be completed. Chairman  
123 Pinette asked the Library Trustees if there is any penalty for contractors to work past the deadline. Ms.  
124 Leonardi said they will finish this building and keep working until it is completed.

125  
126 Mr. Ferraro said the Town had \$7,500 for natural gas under utilities, but the Library will be all electric heat  
127 estimated at \$19,000; a \$4,000 difference there towards the Library Budget. Vice-Chair Goode said he  
128 would like to take the Library's Budget as proposed and adjust some of the line items, and said he finds  
129 savings of \$33,000 from the Library's Budget numbers: savings in the first year from elimination of an IT  
130 position, keeping Custodial Services at 2 times/week, and reducing Utility and Water costs. He

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

134  
135 Mr. Stanton said he has two issues: (1) the Merit Pool using \$3,312 for 2 fulltime employees and a few  
136 part-time employees and would like to see that line item zeroed out and money added to the Bookkeeper  
137 line instead; (2) for Payroll Expenses either use the Town Bookkeeper or consolidate some of those  
138 services. Mr. Ferraro said the Town also has a Merit Pool of 2% and said he supported reducing both to  
139 1%. He said Library COLA increase is 1.2% and should be the same as the Town at 0.8%. Mr. Stanton said  
140 the Town has checks and balances for assigning Merit Pay, but the Library has 3 Trustees assigning \$3,000  
141 without any kind of transparency and it is not monitored.

142  
143 Library Trustee Chairman Kathleen Kilgore said Library Director Susan Grant operates administratively for  
144 the Library as does Mr. Tully for the Town and said there is a process. She said regarding the performance  
145 of construction there is a Performance Bond associated with the Bonnette Page & Stone contract and if  
146 they do not perform, we will execute that Bond Performance.

147  
148 Chairman Pinette said Mr. Chauncey's proposal is for \$420,217.46 which is \$13,203.46 above the  
149 \$407,014 line item.

150  
151 **Roll Call Vote:** Larry Miller-nay, George Chauncey-aye, Rick Stanton-nay, Tamara Le-aye, Jonathan  
152 Pinette-nay, Brian Goode-nay, Frank Ferraro-aye, Tom von Jess-nay, Margaret Delano-nay  
153 *Motion failed by a vote of 6 -3*

154  
155 **Motion:** To reduce the Library line item in the Budget to \$390,217, decreasing the Town FY2021/2022  
156 Operating Budget by \$16,921.

157 **Motioned:** Vice-Chair Goode

158 **Seconded:** Mr. Stanton

159  
160 Discussion: Vice-Chair Goode explained that the amount was based on \$6,000 savings in Custodial  
161 Services back to 2 times/week, adding a percent of the \$35,000 saved from changing IT into the service  
162 contract line in Salaries, and the increase in computer systems and software where the Budget increased  
163 from \$3,500 to \$11,000 for a savings of approximately \$25,000. Mr. Ferraro asked if the reduction was  
164 from the current figure in the Book, and Vice-Chair Goode said he was reducing the proposed Library  
165 Budget of \$420,000 not the spreadsheet.

166  
167 Ms. Leonardi said the Library already submitted a Budget far less than last year and are moving into a  
168 larger building and costs will adjust over time. Chairman Pinette questioned the 1.2% COLA increase for  
169 Library employees with only a 0.8% increase for Town employees. Town Administrator Tully said the Town  
170 is using a scale that is purely COLA with merit on top and COLA was 0.8% in August. Library Director Susan  
171 Grant said the \$19,000 for Custodial services is not an exorbitant amount for cleaning a brand-new  
172 building. She said they hired a consulting group and IT is now moved to the Computer Services line; the IT  
173 person left which was a \$34,000 amount then divided between a new IT person and a new Youth Librarian  
174 Assistant.

175  
176 **Motion Withdrawn:** Mr. Stanton withdrew his second and Vice-Chair Goode withdrew his motion to  
177 reduce the Library line item to \$390,217.

178

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

180 **Motioned:** Vice-Chair Goode

181 **Seconded:** Mr. Stanton

182

183 Discussion: Mr. Ferraro said the reduction was to the Select Board Budget and asked if Vice-chair Goode  
184 agreed with their other provisions. Vice-chair Goode asked which Budget they were voting on here, and  
185 Mr. Stanton said they are voting on the Town Budget line item for \$407,014. Mr. Ferraro said it is at least  
186 \$4,000 too low because of the Utilities cost. Chairman Pinette said he had a problem with using electric  
187 heat which is the most expensive unless they have solar panels. Mr. Ferraro said it would cost \$150,000  
188 to run a natural gas line to the building.

189

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

194

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

197 *Motion approved by a vote of 5-4*

198

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

200 **Motioned:** Mr. Ferraro

201 **Seconded:** Mr. Chauncey

202

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

205 *Motion failed by a vote of 7-2*

206

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

210

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

217

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

220 **Motioned:** Mr. Ferraro

221 **Seconded:** Mr. Chauncey

222

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

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

230

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

233

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

238

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

240 **Motioned:** Mr. Stanton

241 **Seconded:** Selectman Miller

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

244 *Motion approved by a vote of 8-1*

245

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

247

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

251

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

254

255 **PERIOD OF PUBLIC COMMENT**

256

257 **NEXT MEETING: Reserve Date** – January 4, 2020

258

259 **ADJOURNMENT**

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

261 **Motioned:** Vice-Chair Goode

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

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

265 *Motion approved by a vote of 9-0*

266

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

268 Respectfully submitted,

269 Patricia Denmark, Recording Secretary