



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33

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

**NOVEMBER 4, 2019 6:30 PM**

**NORTH HAMPTON TOWN HALL**

***DRAFT MINUTES***

MEMBERS PRESENT: Chairman Jonathan Pinette, Vice-Chairman/School Board Rep James Sununu, Select Board Rep Larry Miller, George Chauncey, Tamara Le, Laurel Pohl Frank Ferraro, Little Boar’s Head Rep Brian Goode

EXCUSED: Rick Stanton

ALSO PRESENT: Town Administrator Bryan Kaenrath, Finance Director Ryan Cornwell

**AGENDA**

Chairman Jonathan Pinette welcomed everyone to the November 4, 2019 North Hampton Municipal Budget Committee Meeting and called the meeting to order at 6:34 pm, followed by the Pledge of Allegiance. He said Rick Stanton would not be attending the meeting.

**OLD BUSINESS** – None

**NEW BUSINESS**

**Approval of the Minutes of the Budget Committee Meeting of September 30, 2019**

**Motion:** To approve the Minutes of the Budget Committee Meeting of September 30, 2019.

**Motioned:** Vice-Chair Sununu

**Seconded:** Selectman Miller

**Vote:** Motion approved 8-0

**Approval of the Minutes of the Budget Committee Meeting of October 7, 2019**

**Motion:** To approve the Minutes of the Budget Committee Meeting of October 7, 2019.

34 **Motioned:** Vice-Chair Sununu  
35 **Seconded:** Mr. Chauncey  
36 **Vote:** Motion approved 6-0, with 2 abstentions

37

38 **First Review of Town FY2021 Proposed Operating Budget**

39

40 Chairman Pinette asked that the Committee listen to the presentation and ask general questions after,  
41 for discussion at the next meeting.

42

43 Town Administrator Kaenrath stated that the FY2020 Approved Operating Budget was \$7,161,370 and the  
44 FY2021 Proposed Operating Budget is \$7,476,723, for an increase of \$315,353 or 4.4% greater than the  
45 FY2020 Approved Operating Budget. He said the FY2021 Default Budget is \$74,656 or 1.042% greater than  
46 the FY2020 Approved Operating Budget, and the FY2021 Proposed Operating Budget of \$7,476,723 is a  
47 \$240,697 increase (3.326%) over the FY2021 Default Operating Budget of \$7,236,026.

48

49 Town Administrator Kaenrath said the Default Budget is calculated by the governing body following their  
50 statutory formula, and if the Proposed Operating Budget is not adopted, the Default Operating Budget  
51 will be deemed approved and can only be adjusted by the governing body. He said taking the FY2021  
52 Default Operating Budget of \$7,236,026 and adding \$123,961 for Salaries/FICA/Medicare/Retirement,  
53 plus Health Insurance \$95,071, Workers Comp/Property & Liability \$13,868, Police & Fire Overtime  
54 \$11,287, Data Processing/IT \$9,500, and a small decrease of \$13,000 among lines throughout the budget,  
55 results in an FY2021 Proposed Operating Budget of \$7,476,723.

56

57 Town Administrator Kaenrath said Personnel Costs comprise most of the budget at \$5.7 Mil, Contractual  
58 Statutory Obligations \$1.1 Mil, Fixed Overhead Costs \$207,000 and Other Spending \$411,000. He said  
59 they looked at the history of approved operating budgets and percent increases from 2011 with  
60 \$5,456,725 or 2.60%, to 2020 with \$7,161,370 or 0.514%, and said the history showed 3 years were higher  
61 than the 4.4% of this year, and said last year was an anomaly.

62

63 Chairman Pinette opened the meeting to general questions and asked that detailed questions be emailed  
64 to him for answers. He said they would have another more formal review of the FY2021 Town Proposed  
65 Operating Budget to go over numbers and more detailed questions.

66

67 Questions: Mr. Goode asked the number of employees covered in the \$123,000 for Salaries/FICA/  
68 Medicare/Retirement, and Finance Director Ryan Cornwell said approximately 35 unrepresented  
69 employees plus the Library's portion. Mr. Ferraro asked about the election cycle of 4-1-3-1 listed under  
70 Town Clerk, and said there were only 2 elections this fiscal year. Finance Director Cornwell said the cycle  
71 is provided by the Town Clerk and he would ask about it.

72

73 Mr. Ferraro asked about the \$90,000 for Paving & Asphalt received from the State Block Grant Account,  
74 and said the Town would be taxed for that because it was budgeted. Finance Director Cornwell said they  
75 would not and explained this was an item with an estimated revenue funding source directly related to  
76 one line, with some also offset by the Road Resurfacing Warrant Article of approximately \$200,000 every  
77 year. He said they are required as a Town to take the money (around \$100,000/year) and spend at least  
78 that amount on roadwork, so between the \$90,000 here, and the Warrant Article, the \$100,000 reduces  
79 the impact on taxpayers.

80

81 Mr. Goode asked if the Town would get less from the State if the Warrant Article did not pass, and Finance  
82 Director Cornwell he did not believe they would as cumulative spending has always been significantly  
83 more than what they receive. Mr. Ferraro questioned the Training & Education spending throughout the  
84 budget, and said a total of approximately \$25,000 was budgeted and only about half of it was spent, and  
85 suggested the Board set up a Training & Education Stabilization Fund and reduce the total budgeted  
86 amount to \$15,000. Town Administrator Kaenrath said the idea has merit as some departments are more  
87 in need of training than others.

88  
89 Vice-Chair Sununu asked for a review of the process for Social Services. Town Administrator Kaenrath said  
90 most are long-standing and there were 3 new ones this year. Finance Director Cornwell said the process  
91 was modified slightly and all services currently listed would receive a full application requesting financial  
92 statements and other information. He said new services included Step Up Parents, One Sky Community  
93 Services, and New Generation.

94  
95 Vice-Chair Sununu asked about the Wage Range & Pay Classification Scale in Tab 9, and Town  
96 Administrator Kaenrath said it was a new study by MRI. He said 7 employees were under the newly  
97 established ranges and it would take approximately \$13,000 to bring them to the bottom of the new  
98 range. Finance Director Cornwell said they did their typical merit (3%) and cost-of-living increases, and  
99 said MRI compared them with a mix of Seacoast communities and some smaller inland towns. Vice-Chair  
100 Sununu said every town listed was at least twice the size of North Hampton and none of those listed were  
101 smaller.

102  
103 Vice-Chair Sununu said he did not feel that was a very good representative sample and said North  
104 Hampton was pushing up their wage scale across the board. He said they agreed to increase the Town  
105 Administrator salary in FY2017 and were now increasing it another 15%. He asked how they were out of  
106 range again, and asked if salaries were being driven up that much or if they were using a survey with  
107 inappropriate comparisons to other towns. Selectman Miller asked if MRI could address Vice-Chair  
108 Sununu's questions. Mr. Ferraro said Salem and Nashua, being next to Massachusetts, might be better  
109 comparisons. Ms. Le said Newton was on the MA border and was the same size as North Hampton.

110  
111 Vice-Chair Sununu asked for an explanation of the dramatic increase in the Merit Pool for non-union  
112 employees. Finance Director Cornwell said that was 3% of the previous salary plus the \$13,000 to get  
113 employees to the bottom of the new scale range. Vice-Chair Sununu asked that the total increase across  
114 the Budget attributed to COLA, Merit, and wage scale adjustment be broken out for all non-representative  
115 employees, and Mr. Ferraro asked for the aggregate salary as well.

116  
117 Chairman Pinette said on November 11, 2019 the School Budget Books would be delivered to the Fire  
118 Station. He said they have until December 2, 2019 for review, and questions should be forwarded to him  
119 and he would get the answers back to the Committee.

120  
121 Mr. Ferraro said in 5 years, FY2015 through FY2019, the surplus ranged from \$500,00 to \$700,000 per  
122 year with one year only \$160,000. He said the average of the 5 years is \$485,000 left over which is about  
123 7% of the Budget. He said a lot of money was being collected but not spent and said he had a hard time  
124 with this year's 4.4% increase, and asked why the surplus was so large. Town Administrator Kaenrath said  
125 the recommended guideline for Fund Balance is 5%-8%, and said the Town needs to have some of that.

126  
127  
128

129 Finance Director Cornwell said the goal is to always maintain 8%, and said if they remained staffed at  
130 current levels this year could be tight. He said surplus was physically money that has not left the building,  
131 but there are obligations. He said every year there are \$200,000-\$300,000 in payables not yet spent that  
132 come in after encumbrances are approved. He said this Budget meets the needs of the Town and they  
133 saved and made cuts where they could. He said it would come down to salaries, FICA, Medicare and Health  
134 Insurance and they do have Capital Reserves.

135  
136 Mr. Ferraro asked if they could get the current Unassigned Fund Balance and what the 8% number would  
137 be. Finance Director Cornwell said the most current would be June 30, 2019 and is unaudited. He said  
138 they started FY2019 with \$2.3 Mil and ended with \$2.39 Mil, up \$90,000 and some has to do with the  
139 Warrant Article.

140  
141 Chairman Pinette said Monday, November 11<sup>th</sup>, the School Budget Books would be at the Fire Station and  
142 the next physical meeting would be November 18, 2019 for the first review of the FY2021 School Proposed  
143 Budget. He said Monday, December 2<sup>nd</sup>, would be the second review of the FY2021 Town Proposed  
144 Budget.

145

146 **ANY OTHER BUSINESS THAT MAY LEGALLY COME BEFORE THE COMMITTEE**

147

148 **NEXT MEETING:** November 18, 2019 at 6:30 pm: First Review of FY2021 School Proposed Budget.

149

150 **ADJOURNMENT**

151 Mr. Ferraro made a motion to adjourn the meeting which was seconded by Mr. Goode.

152

153 The motion to adjourn was approved by a vote of 8-0, and Chairman Pinette adjourned the meeting at

154 7:33 pm.

155

156 Respectfully submitted,

157

157 Patricia Denmark, Recording Secretary