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

APRIL 22, 2021 6:00 PM

NORTH HAMPTON TOWN HALL

DRAFT MINUTES

MEMBERS PRESENT: Chairman Rick Stanton, Vice-Chairman Brian Goode, George Chauncey, Frank Ferraro, Sean Dionne, Select Board Rep James Sununu, School Board Rep Tom Von Jess

PRESENT ON ZOOM: Andrew Raucci, Ann Marie Banfield (signed on late)

ALSO PRESENT: Town Administrator Michael Tully, Charles Gallant

AGENDA

Chairman Rick Stanton welcomed everyone to the April 22, 2021 North Hampton Municipal Budget Committee Meeting and called the meeting to order at 6:04 pm, followed by the Pledge of Allegiance.

OLD BUSINESS – None

NEW BUSINESS

Select New Volunteer Members (2)

Chairman Stanton said the first order of business is to add 2 new members to the Committee to fill the 2 vacancies. He said there are 3 applicants: Ann Marie Banfield, Andrew Raucci, and Charles Gallant, and I will ask each one to speak to the Committee.

Ann Marie Banfield was not available on Zoom at that time. Mr. Ferraro said she was very active in education and very active in Bedford in budget issues.

Andrew Raucci of Walnut Avenue said he served in the US Marine Corp, worked in Institutional Investment management and consulting for 10 years, was treasurer of Rhode Island developing a hybrid retirement plan and buying and selling equities and bonds. He has a lifelong commitment to service and would love to get involved with the Town to help out on the Budget Committee.

33
34 Charles Gallant of Exeter Road said he is a resident of 17 years, spent 3 years as a member of the Budget
35 Committee, and currently is on the CIP Committee. He has worked in public safety since 1995 as a career
36 Lieutenant with a neighboring Fire Department, serves as Chairman of the Health Insurance Committee
37 through Health Trust (10 years), and has 15 years as negotiator for union contracts.

38
39 Mr. Ferraro suggested it would be appropriate to appoint Andrew Raucci and Ann Marie Banfield, who
40 received significant votes as write-ins, as the 2 replacements. Chairman Stanton said the tradition for
41 filling vacancies is to advertise and ask for volunteers and that would change the precedent set.

42
43 Votes for Candidates:

- 44 Ann Marie Banfield – 3 votes
- 45 Andrew Raucci – 7 votes
- 46 Chuck Gallant – 4 votes

47
48 Chairman Stanton said the new members of the Budget Committee were Andrew Raucci and Chuck
49 Gallant who would be sworn in by the Town Clerk.

50
51 Ann Marie Banfield joined the meeting by Zoom and said she hoped for the best for the Committee.

52
53 **Appoint Budget Committee Representative to CIP**

54
55 Chairman Stanton said the CIP representative makes recommendations to the Select Board on Capital
56 items in excess of \$10,000 and the committee vets input from each department and asked for volunteers.
57 He said they get to hear about all the new projects and make a recommendation to prioritize the projects
58 and he recommended that a new member volunteer as Budget Committee representative.

59
60 Vice-Chair Goode nominated Frank Ferraro; Selectman Sununu nominated Sean Dionne.

61 Votes for Candidates:

- 62 Frank Ferraro – 4 votes
- 63 Sean Dionne – 2 votes

64 Frank Ferraro was elected as Budget Committee Representative to the CIP Committee.

65
66 **Resolve any Scheduling Conflicts**

67
68 Chairman Stanton said he sent out Draft Schedule #3 and changed a few dates after input from Matt
69 Ferreira. He said presentations are alternated each year and the Town will go first this year.

70
71 Vice-Chair Goode recommended the December 6th date for the Library Budget be moved up to allow more
72 time to look at first and second presentations. Selectman Sununu said if the Library needs to come back
73 to answer questions, they can do so on the 20th at the second review of the School.

74
75 **Discussion of Current Issues**

76

77 **Library Budget**

78

79 Chairman Stanton said he said he would like to get input from the Committee on issues that came up in
80 the past year for a possible verbal or written recommendation. He said the Library will come and present
81 their budget to the Budget Committee this year and they can send it to the Select Board to be included in
82 the Town Book or with a recommendation for a separate Warrant Article.

83

84 Mr. Ferraro said the budget prepared for the Town is the Budget Committee's Budget, and the number
85 decided on and approved would then get included into the line item in the Town Budget. If the Warrant
86 Article fails it would create a legal problem as the Town would then be in violation of the law stating the
87 Town has to provide funds to operate the Library. Chairman Stanton said there would be a default and
88 said there are advantages to a warrant.

89

90 Town Administrator Tully said he already posed that question to NHMA and is waiting on an answer, but
91 this is also part of the law that requires the Select Board to adequately fund the Library. He said the
92 consistent way is for the Budget Committee to add the money into the Town Budget.

93

94 **Pay Increases for Non-Contract Employees**

95

96 Chairman Stanton said pay raises for all non-contract employees consist of COLA as the base plus 2% as
97 incentive or to keep COLA within reason. He said he preferred 1% and said the Budget Committee can
98 only give an opinion to the Select Board as a recommendation of a policy change. Mr. Ferraro suggested
99 an alternative to COLA plus X% where X = Social Security increase for the year. Chairman Stanton said that
100 also lags behind COLA and detracts over time.

101

102 Selectman Sununu said last year for the School they put an increase across the board based on inflation
103 then 2% merit pool. Mr. Von Jess said it has more to do with hiring and retaining the right people and they
104 should have a performance pool to keep top performers. Selectman Sununu said other salary adjustments
105 were made to get employees in their target range based on an MRI survey.

106

107 Town Administrator Tully said he believed the 2% also covers retirement increases. He said every non-
108 union employee in the past 8 years except 3 have turned over, and the incentive is for getting the people
109 they want and keeping them. Chairman Stanton said he does not like to see 2 different sets of employees
110 in one office earning differently. Selectman Sununu pointed out that ultimately it is up to the Select Board.

111

112 Mr. Gallant asked the number of employees in North Hampton and Town Administrator Tully said for full
113 and part-time about 60 with 20 not under a CBA. Selectman Sununu said contracted employees get
114 whatever is negotiated in their contract through its duration, but for non-contract employees it is set
115 yearly during Budget preparation. Mr. Ferraro recommended waiting until then. Town Administrator Tully
116 said the Budget Committee only has the authority to reduce the bottom line not a specific figure.

117

118 **Donations to 501c(3) Organizations**

119

120 Chairman Stanton said 501c(3) Organizations receiving taxpayer funds were an itemized list in the Budget
121 for many years but were dropped during one budget process and added back in at Deliberative. Mr.
122 Ferraro recommended the Budget Committee use a dollar amount that would be given of \$25,000 and
123 have the Town decide how to distribute the money based on the forms submitted.

124
125 Town Administrator Tully said that is how they are doing it right now, but the Select Board decided the
126 voters should decide whether to give money away. Mr. Von Jess said social service agencies providing
127 services to members of the community could come in and explain what they do and the value of what
128 they are providing. Chairman Stanton said copies of all forms submitted could be distributed.

129
130 Vice-Chair Goode said they developed a procedure where if an organization does not *request* any funds,
131 we do not automatically send them out and it seems to be working well. Town Administrator Tully said
132 the funds are pro-rated to make sure every organization gets some. Mr. Ferraro suggested distributing a
133 blank copy of the form to all Committee members.

134
135 Mr. Von Jess asked if the \$25,000 figure gets adjusted up or down over time. Mr. Ferraro said some
136 dropped out and others asked for more money, but they could consider boosting the amount in future.
137 Mr. Raucci asked how many of the organizations are located in Town and Town Administrator Tully said
138 very few, but they all do a public good in North Hampton.

139

140 **Funding Source for Capital Items**

141
142 Chairman Stanton said he included this because last year CIP put in a recommendation for a DPW Truck,
143 and during deliberations 3 Budget Committee members voted against recommending the Warrant
144 because they wanted it taken from fund balance and paid outright rather than as a lease/purchase. As a
145 result the Warrant Article failed though they were not against the truck but against the financing. He felt
146 the Committee needed to discuss not voting down a Capital item.

147
148 Mr. Ferraro said he brought that up and was one of the votes against the article because the Town would
149 spend more money in interest with a lease/purchase rather than buying outright. Chairman Stanton said
150 we should not be in the position of deciding how it gets funded. He said voters do not have all that
151 background and doubted the validity as a result. Mr. Dionne said he understood that the Town has done
152 a lot of down-to-zero leasing for municipal vehicles.

153

154 **Health Care Costs**

155
156 Chairman Stanton asked that they discuss the rise in Health Care costs which is the biggest obstacle they
157 are facing in the future and said he was looking to line up a speaker to address that. He said the Town
158 tried to adjust that by setting up a stabilization fund, but they needed to take some action to make sure
159 it does not get out of control. Whether employees pay more or finding groups we can get into to bind
160 together for better rates.

161
162 Town Administrator Tully said he would talk about what they are seeing and doing not just in North
163 Hampton but throughout the State in the public and private sector. He said we cannot control it but can

164 do our best to control our increases in costs. He said this year they had a GMR (Guaranteed Maximum
165 Rate) of 7.5% but plan yearly in the Budget yearly for a 10% increase. He said we get our insurance from
166 Health Trust and we looked into why North Hampton rates were increasing.

167
168 Town Administrator Tully said Towns were grouped by 100 or less but in 2016 that changed to 50 or less,
169 and now they are grouped by themselves. He said he asked Health Trust if they could group with other
170 towns and was told no, but he said SAU groups together and asked why they cannot join with the schools
171 and it came back that it would push the rates even higher for everyone.

172
173 Town Administrator Tully said they are now looking at migration of employees to different, cheaper plans;
174 right now they have 2 plans, one for union and one for non-union but have no control over union
175 employees because of their contracts. He said once you sign on with NMHA you cannot go above them to
176 get bids.

177
178 Mr. Gallant said he spent 10 years as chairman of an Insurance Committee in the town he works in and
179 looked at different plans every 3 years and looked at the Luminous Plan with rates based on usage; he
180 offered employees 3 different plans. Town Administrator Tully said that another factor is the transition to
181 younger individuals who are single when hired but are seeing natural increases with plan changes over
182 time.

183

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

185

186 **PERIOD OF PUBLIC COMMENT**

187

188 **ADJOURNMENT**

189 Mr. Ferraro made a motion to adjourn the meeting which was seconded by Mr. Dionne. Chairman
190 Stanton adjourned the Budget Committee Meeting at 7:14 pm.

191 Respectfully submitted,

192 Patricia Denmark, Recording Secretary