

**TOWN OF NEWMARKET, NEW HAMPSHIRE
BUDGET COMMITTEE MEETING
NOVEMBER 26, 2018 7:00 PM
TOWN HALL AUDITORIUM**

Approved December 17, 2018

MEMBERS PRESENT: Chairman Daniel V. Smith, Vice Chairman Jeff Raab, William “Blue” Foster, Dave Foltz, Trevor MacDonald, Joan LaRochelle, Town Council Rep Zachary Dumont, School Board Rep Elizabeth McKinney

EXCUSED: Michael “Mickey” Burns, Ashley Bowley, Robert Ortins

AGENDA

Chairman Dan Smith welcomed everyone to the November 26, 2018 Newmarket Municipal Budget Committee Meeting and called the meeting to order at 7:00 pm, followed by the Pledge of Allegiance.

Chairman Smith stated that Mickey Burns, Ashley Bowley, and Robert Ortins were unable to attend. He said he received an email from Joan LaRochelle that she would be leaving Newmarket and this was her last meeting, and he thanked her for her time and service.

OLD BUSINESS

Approval of the Minutes of the Budget Committee Meeting of October 29, 2018

Ms. McKinney made a motion to approve the minutes of the Budget Committee Meeting of October 29, 2018, which was seconded by Joan LaRochelle.

Mr. Foster corrected the date of the Town Meeting on page 2 to: *Tuesday, March 12, 2018*.

Chairman Smith polled the Committee and the minutes of Budget Committee Meeting of October 29, 2018 were approved as amended by a vote of 6-0, with 2 abstentions.

NEW BUSINESS

Town Budget FY2019/2020 Workshop

Town Administrator Steve Fournier said the Consumer Price Index (CPI) for the region, Boston Metro and the country showed a significant increase in costs for goods and services. He said at the beginning of July 2017 the US CPI rose 1.7% and went up 2.9% this year, the Northeast increased 1.6% in 2017 and 2.7% in 2018, and Boston Metro increased 2.2% in 2017 and 3.4% this year. He said the Unemployment Rate for the country dropped from 4.3% to 4.1%, the State increased from 2.5% to 2.7%, the County increased from 2.7% to 3%, Portsmouth Metro decreased from 2.5% to 2.4%, and Newmarket increased from 1.9% to 2.1%.

Town Administrator Fournier said the current tax bills had been sent out with the Tax Rate set at \$29.24 for an increase of \$2.51 over the previous year. He said State School was \$2.46 (8%), County \$1.16 (4%), Town \$6.39 (22%), with the Local School at \$19.23 (66%) reflecting the first year of the principal payment on the School Bond. He said a 5-Year Comparison of the Tax Rate showed the Town remaining pretty flat. He said the Assessed Value of the Town this year was \$762,122, 692 or an increase over last year of \$4,319,659, and said this meant that for every dollar of tax rate they would be able to raise \$762,122. He said this was also the year for the statistical update and the Town was currently at 75% valuation.

Town Administrator Fournier said the Town Council was recommending \$12,194,371 as a bottom-line budget, an increase of 0.44% or \$53,537. He said Enterprise Funds were down \$108,096 and All Other Funds increased \$161,723, with the General Fund increasing to \$7,836,346 or 1.5%. Special Revenues increased 3.98% to \$1,201,083 and Enterprise Funds decreased 3.31% to \$3,156,942 with a decrease for Water & Sewer. He said the increases included \$30,000 for an Economic Development Director, \$124,125 for the first year of the Police Contract, \$22,000 for the Solid Waste Contract, and \$27,000 for the Recycling Contract.

Town Administrator Fournier said that Capital Reserve Fund contributions for projects included \$75,000 for Public Works, \$15,000 for Building Improvements, \$250,000 for Roadway Improvements, \$25,000 for Stormwater Management, \$50,000 for the Macallen Dam with a proposed Warrant Article of \$2 million, \$50,000 for Fire, and no contribution for Police Vehicles as the fund already had \$217,000. He said other contributions included \$2,000 for the Veterans Memorial, \$10,000 for the Master Plan, \$2,000 for the 300th Anniversary Celebration, \$10,000 for the Compensated Absences Trust Fund, \$10,400 for the Library, and \$15,000 for Recreation Facilities, for a total of \$524,400 or a 35.29% reduction.

Town Administrator Fournier stated that last year the Revenue Budget was \$7.4 million with additional funds from the Fund Balance to make more Capital contributions, but the Revenue Budget for FY2020 was estimated at \$7,089,248. He said the difference was made up by looking at one-time costs that would not impact Town operations, so contributions to Capital Reserves were reduced this year. He said if the Town Budget passed at \$12,194,371, less revenues, adding Overlay and War Service credits, the net Town appropriation of \$5,285,123 times the Assessed Value of \$762,122,692 divided by 1,000 would give a Town Tax Rate of \$6.93/1,000.

Town Administrator Fournier said they were looking at two potential Bonds as Warrant Articles, the first for the Macallen Dam not-to-exceed \$2 million, and the second for a Water Improvement Project not-to-exceed \$12,165,000. He said he had been approached by Rural Development and they had encouraged the Town to spend more on projects for a better chance at grant money. He said the projects included Water System upgrades, Bennett & Sewell upgrades, treatment for MacIntosh & Tucker Wells and Tucker construction, as well as water main replacements for South Main, New Road,

and Bay Road, and an extension of the water main to Moody Point. He said the impact for those upgrades would fall to the rate payers for an average home increase of \$24/year for 5 years.

Discussion:

Chairman Smith asked about Rural Development, and Town Administrator Fournier explained that it was a Federal Agency which had provided grant funding for the Wastewater Treatment Plant. He said he was told if the Town qualified they could apply for a large grant of approximately \$9-\$10 million from Rural Development, and said they were also trying to use other funds. Mr. Foster asked about the cuts to the Fire Department and Public Works Capital Reserves, and Town Administrator Fournier said Fire currently had \$236,000 in Capital funds and Public Works had \$396,000.

Chairman Smith asked about the betterment assessment for Moody Point water users. Town Administrator Fournier said the State allowed municipalities to make those assessments on properties for which they were providing betterment until their part of the project was paid off. He said they had not yet decided whether to use that option, and because of the situation the Town could get grant money as well. Vice-Chair Raab asked about increased funding for training in Finance, HR, and the Town Clerk's office, and Town Administrator Fournier said they were going through a major upgrade of all of their financial systems.

Chairman Smith said it seemed the only modifications made by the Town Council were to Capital Reserves. Town Administrator Fournier said they reduced Police Vehicles and made a few other changes, and said there would be a first reading of the two Warrant Articles at the next meeting with a vote the second meeting in December. Chairman Smith asked about the process for the bonds, and Town Administrator Fournier said they did not have to borrow until they knew the exact number, and they had an authorization for not-to-exceed as they would have to appropriate the entire amount.

Chairman Smith said Healthcare and Retirement Benefits were up. Town Administrator Fournier said he received a great Guaranteed Maximum Rate (GMR) increase of 5.8% for healthcare, and retirement rates were in their second year. Mr. Foster asked about asphalt costs under Roadways & Sidewalks, as \$155,000 was budgeted in 2018 with \$302,215 spent, and Town Administrator Fournier said the balance came from unanticipated revenues from the State for increased Highway Aid to municipalities. Mr. Foster also asked about the Mosquito funding, and Town Administrator Fournier said it had been moved from Public Works to Buildings & Grounds.

Chairman Smith asked what the Economic Development proposal involved. Town Administrator Fournier said he had just received RFPs for contracting Economic Development Services to help attract businesses by marketing certain parts of the Town. He said they could recommend possible zoning changes and look at developing 3 gateways to the Town on North Main Street, Exeter Road, and Route 152. He said there were large tracts of land that could be developed, and the Council was looking to extend the Downtown on North Main. He said the Town had established sewer, water, sidewalks in the area, and when the State finished their project they would see what could be done there.

Mr. Foltz said the budget was pretty tight and that salaries and benefits were most of the increases. Town Administrator Fournier said they were looking at other ways to fund projects through performance contracting and energy savings. He said the Facilities Director would be making a presentation to the Town Council shortly about ways to do \$2 million worth of Capital Projects for Town buildings through energy savings, and said an alternative was to issue debt for Capital projects.

Chairman Smith asked how the Town Budget reflected sharing the expense of the new School Resource Officer (SRO). Town Administrator Fournier said the salary was included in the line, with a revenue line to offset that. He said they would estimate the cost and send a bill to the School for payment. Mr. Foster asked about the hiring of another officer in the future, and Town Administrator Fournier said if the funding from the School was not there, this would be that additional officer.

Mr. Foltz said the Town knew the Water and Macallen Dam projects were coming up and felt they were addressing them in the best way possible, and Town Administrator Fournier said that interest rates were also currently low. He said there was a big project coming up to improve water runoff into the Bay, which would involve building a system at New Road to provide another source for runoffs to go out from. He said they had already secured a property and would probably bond the project next year.

OTHER BUSINESS

NEXT MEETING: December 10, 2018 at 7:00 pm in the Town Hall Auditorium.

ADJOURNMENT

Ms. LaRochelle made a motion to adjourn the meeting which was seconded by Councilor Dumont.

The motion to adjourn was approved unanimously by a vote of 8-0, and the meeting was adjourned at 7:44 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary