

**TOWN OF NEWMARKET, NEW HAMPSHIRE**

**BUDGET COMMITTEE MEETING**

**OCTOBER 28, 2019 7:00 PM**

**TOWN HALL AUDITORIUM**

***Approved November 25, 2019***

MEMBERS PRESENT: Chairman Michael "Mickey" Burns, Vice Chairman Daniel V. Smith, Jeff Raab, Trevor MacDonald, Roger Cady, Gary Swanson, Joe Lamattina, Christian Matthews, Robert Ortins, School Board Rep Elizabeth McKinney

EXCUSED: Town Council Rep Zachary Dumont

ALSO PRESENT: Town Administrator Steve Fournier, School Superintendent Dr. Susan Givens

**AGENDA**

Chairman Mickey Burns welcomed everyone to the October 28, 2019 Budget Committee Meeting and called the meeting to order at 7:00 pm, followed by the Pledge of Allegiance.

**OLD BUSINESS**

**Approval of the Minutes of the Budget Committee Meeting of September 23, 2019**

Vice-Chair Smith made a motion to approve the Minutes of the Budget Committee Meeting of September 23, 2019 which was seconded by Mr. Cady.

Chairman Burns polled the Committee and the minutes of the Budget Committee Meeting of September 23, 2019 were approved by a vote of 9-0, with 1 abstention.

**NEW BUSINESS**

**Year-to-Date Town Budget Report/Initiatives – Town Administrator Steve Fournier**

Town Administrator Steve Fournier said end-of-year Budget figures for FY2019 were tight, with 0.76% of the overall Budget remaining or \$25,000. He said the General Fund was 100% expended with only \$9,000 remaining, and no money going into Fund Balance to offset any increases in the coming fiscal year. He said there was an overage in Solid Waste due to issues with recycling, and said for this year they were one quarter through the year with 38% expended.

Town Administrator Fournier said the Town Council held their FY2021 Budget Workshop on Saturday to review his proposed Budget, and there were some significant increases due to the first-year debt service on the Macallen Dam project of approximately \$200,000 and adding a new Police Officer. He said otherwise increases were mainly operational, and said there will be one Warrant Article for Budget Committee review asking permission from voters to borrow \$75,000 for a sewer study to be reimbursed by the State. He said another impact on the FY2021 Budget was the Town revaluation which increased the total value of the Town 28% to \$977,203,228, and said they should be setting the tax rate shortly.

Town Administrator Fournier said there would also be questions on the Ballot for the following Charter Amendments: (1) Codify in the Charter allowing the Town to work in conjunction with the School; (2) change taking Oaths of Office to the first Monday in April; (3) change title of Town Administrator to Town Manager; (4) correct Head Election Official to be Town Moderator; (5) specify that the Town Manager's Budget will go forward if the Council fails to adopt a budget; (6) change Budget Public Hearing to be held by the third Tuesday in January; (7) CIP Committee to prepare and submit a Capital Improvement Plan to the Town Council at least one month prior to submission of Town Manager's Budget.

Town Administrator Fournier said the Financial Services/ Business Administrator agreement between the Town and the School had been split. He said the Town has an Interim Finance Director, a consultant from MRI, and he was looking to hire a new Finance Director. He said the Department was also in the middle of a Financial Software Update.

Vice-Chair Smith asked if the interim person worked for both the Town and the School, and Town Administrator Fournier said just for the Town. He said it this will impact the budget next year as they are currently paying 40% of salary and will need to pay 100% salary and benefits. Mr. Lamattina asked about the Macallen Dam, and Town Administrator Fournier said the Town intended to take the money out next year to do the project, and there was already \$200,000 in the Operating Budget to pay the first year's principal and interest.

Vice-Chair Smith asked what the biggest variances in the FY2018/2019 Budget were in absolute dollar terms. Town Administrator Fournier said Solid Waste was \$64,000 over, Public Works had an overage of \$30,000 for salt, and Fire & Rescue had an overage of \$71,000 due to increased calls and the addition of a stipend for weekend people. He said IT (\$20,000) and Finance (\$15,000) were both over for their share of the New Financial Software. He said other than that there was nothing out of the ordinary and the Town was literally down to \$9,000.

#### **Year-to-Date School Budget Report/Initiatives** – Superintendent Dr. Susan Givens

School Superintendent Dr. Susan Givens said she just received a draft of the audited Financial Statements for FY2019, which she had not yet had time to digest. She said in budget-to-actuals they underspent appropriations from last year due to unanticipated revenues of approximately \$80,000 and unexpended funds in the Operating Budget. She said the Fund Balance was \$588,000 with revenues \$83,624 and \$504,637 unexpended.

Vice-Chair Smith asked where they were underspent, and Superintendent Givens said they underspent on Instruction which was the majority of the School Budget. She said Instruction Staff Services was overspent by \$85,000, General Administration by \$120,000, and Operations & Maintenance overspent by \$188,000. Vice-Chair Smith said it made sense that there was overspending due to downgrading of staff and

overspending in Operations & Maintenance due to the School renovation. Ms. McKinney said last year the School retired a Janitor and they may have spent more in overtime.

Superintendent Givens said her focus has been on this year and trying to get out a Budget without a Business Administrator. She said the recruiting process did not result in a candidate to appoint and she had reached out to consulting firms, and was able to contract today for 20 hours from MRI for a School Business Administrator. She said being new, she did not yet have the understanding of the relationship between the financial documents and the processes here. She said they planned to relaunch the search for a Business Administrator at the end of January.

Mr. Lamattina asked if there was an idea of the State Funding for Newmarket, and Superintendent Givens said based on the Budget adopted by the State they were supposed to receive \$236,000 more. She said there were changes in regulations for their Medicaid Program, and instead of getting \$200,000 in revenue reimbursements for Special Education Services, they would be losing \$190,000. She said for this year they were able to do back-billing but next year would be a wash.

Superintendent Givens said she was working on a project to make sure all financial information for the building projects is reconciled between the Clerk-of-the-Works and the Business Office. She said there is reconciliation now and they made some adjustments. She said she presented a report of their financial status to the School Board, and would forward an updated copy to the Budget Committee. Vice-Chair Smith asked what year of the Busing Contract they were in, and Superintendent Givens said it was up again this year. She said she reached out to them and they agreed to roll their contract for one more year.

Mr. Cady asked about the School Audit, and Ms. McKinney said they passed with flying colors last year but Dr. Givens asked that it be done again as it was not thorough enough and the School Board agreed.

#### **CIP Committee Update** – Joe Lamattina and Christian Matthews

Mr. Lamattina said the final CIP spreadsheet had been sent out but there was not a lot of detail there. He said mostly what was requested was approved except \$18,000 for a building on Beech Street and \$38,000 for some athletic field work that was not recommended. He said for the School Budget \$1 Mil for a field and \$160,000 for a courtyard were also not approved. He said most were wiring, roofing, and equipment upgrades. Mr. Raab asked about the \$7.00 for Police Vehicles, and Mr. Matthews said per the Town Administrator Capital funds could not be spent for operational expenses, and this is not the place the funds should be coming from. He said the \$7.00 was left in the fund as place holder.

#### **OTHER BUSINESS**

**NEXT MEETING:** November 25, 2019 at 7:00 pm in the Town Hall Auditorium.

#### **ADJOURNMENT**

Mr. Swanson made a motion to adjourn the meeting which was seconded by Mr. Raab. Chairman Burns polled the Committee and the motion to adjourn was approved by a vote of 10-0.

Chairman Burns adjourned the meeting at 7:43 pm.

Respectfully submitted,

Budget Committee Meeting  
October 28, 2019

Patricia Denmark, Recording Secretary