

**TOWN OF NEWMARKET, NEW HAMPSHIRE
MUNICIPAL BUDGET COMMITTEE MEETING**

JUNE 27, 2022 6:30 PM

TOWN HALL AUDITORIUM

Approved August 29, 2022

MEMBERS PRESENT: Chairman Michael LaBranche, Vice-Chairman Christopher Wolfe, Roger Cady, Ned Carpenter, Danielle Honan, Town Council Rep Brian Ward, Alternate School Board Rep Dan Smith

EXCUSED: Richard Lesavoy, Brian Hickey

ALSO PRESENT: Interim Superintendent Todd Allen, School Business Administrator Janna Mellon

AGENDA

Chairman Michael LaBranche welcomed everyone to the June 27, 2022 Municipal Budget Committee Meeting and called the meeting to order at 6:30 pm followed by the Pledge of Allegiance.

Chairman LaBranche stated the Richard Lesavoy and Brian Hickey were excused.

PUBLIC COMMENT

Chairman LaBranche opened Public Comment at 6:34 pm.

As there was no Public Comment, Chairman LaBranche closed Public Comment at 6:34 pm.

NEW BUSINESS

Introduction of Interim Superintendent Todd Allen

Chairman LaBranche introduced Interim School Superintendent Todd Allen.

Superintendent Allen said the first thing he did was take a look at all the Budget documents on the School website and was very impressed by the process and the caliber of the reports. He said he spent the first 36 years of his career at Oyster River School District and is familiar with Newmarket as a community. He said he is not an expert on the Budget but fortunately the School Business Administrator Janna Mellon is an expert.

Questions: Mr. Cady asked if the change in administration will have a negative effect on increased staff turnover, or difficulty of hiring for the next school year. Superintendent Allen said we are fully staffed right now: new Junior-Senior High School Principal Andrew Korman, coming from Portsmouth High School; Assistant Principal Jeanne Civiello, moving from Speech Pathologist position; SAU Director of Curriculum, Instruction, Assessment and Professional Learning Patty Wons, from Exeter Region Cooperative School District.

Superintendent Allen said there were no comments from the four exiting administrative staff members; all leaving for individual reasons. He said Newmarket School is fully staffed with all key positions filled and is moving forward in a positive way; School Board will have to determine a long-term superintendent. Mr. Smith said as a former Budget Committee member he was terrified but now feels really good about the current situation; Mr. Cady said he worried about young teacher turnover.

Superintendent Allen said certainly any sustained effort to improve schools requires continuity over time. He said making sure salaries are competitive is important, but also making staff feel valued and feel they have a say in what is being done. He said with the new staff onboard he is very happy to be here, and said he is very impressed with the quality of information being shared and felt the School was clearly in a good financial position.

Update of School Financials

School Business Administrator Janna Mellon said she had the quarterlies from April and an interim report as of May 31, 2022 and said both sets of financial information are presented in the same format. She said this is just expenditures and revenues, not year-end adjustments made as part of our financial audit and will show where we are now with the Budget and the numbers here will definitely change.

April Quarterly Report: Business Administrator Mellon started with the April Quarterly Report and said COVID is still impacting us on the revenue and expenditure sides. She said for Revenue, the School District was able to capitalize on FEMA funds as an unanticipated revenue source (reimbursement), and by end of year the School will be able to recoup \$520,000 not factored into the FY2022 Budget. She said for Expenditures they are estimating \$997,000 differentiated between revenues and expenditures and are also expecting a surplus in the Food Service fund of 100% due to USDA waivers.

Business Administrator Mellon said looking ahead there was pending legislation at the State level relative to reinstating a percentage of the State Retirement Contribution for teachers which did not pass, but a bill was put through resulting in a one-time reimbursement of 7.5% in FY2023. Mr. Cady asked if the figure could be quantified in dollars. Business Administrator Mellon said it is estimated at \$140,000; not clear how it will come to the School, but not as part of Adequacy Aid. USDA Food Service Waivers will not be extended but there will be a reduced price in cost-per-meal.

Vice-Chair Wolfe asked how the State processes into the retirement system, and said it appears the State pays the Town for their portion and the Town redirects that money into the State Retirement Fund. Business Administrator Mellon said years ago the State paid up to 35% for Fire, Police, and teachers, but in the 1990s that amount dropped to zero. Since that time taxpayers have paid 100% of the employee contribution. She said the State will look at the total number on the employee side at the end of the year and reimburse the School 7.5%.

Interim Statements as of May 31, 2022: Business Administrator Mellon said this is just a display of expenditures and revenues without year-end or accounting adjustments. She said the estimate is a little lower in the General Fund due to additional expenditures that came up; Food Service balance also decreased a little due to lower participation; still looking to be \$900,000 left from tuition expenditures and revenues. She said New Hampshire Retirement contribution will come in at \$140,000; Food Service waivers not extended but reimbursement expected.

Business Administrator Mellon said there will be an opportunity in May for School Energy Efficiency Development Grants (SEED) of \$150,000 with a 10% local match. She said the Elementary School has an application to help with window replacements; though adequacy aide money was put into a Capital Reserve Account for windows, bids came in higher than expected and School is looking to supplement that with a grant. She asked the Budget Committee to submit a letter of support and said the application deadline is July 20, 2022.

Chairman LaBranche asked Mr. Cady to work with Ms. Mellon to draft that letter. Mr. Cady said he would draft the letter as coming from the Chairman and asked for full Committee support. Chairman LaBranche said when the letter is ready, he will email Committee members and they can go to SAU to view the letter.

Vice-Chair Wolfe asked the amount of Adequacy Aid received last fall, and Business Administrator Mellon said \$498,255. She said the School was already awarded \$75,000 for an electrical upgrade at the Elementary School but will not be paying for the work until next year. She said one bidder, Granite State Glass, came in around \$550,000 and she asked for an alternative proposal with reduced scope.

Chairman LaBranche asked what ESSER funding can be used for. Business Administrator Mellon said by grant standards they have expanded but by school standards they have to be confined to certain purposes. She said the School has a lot of supports and services for social, emotional, and mental health from ESSER funds, and are funding another Social Worker. She said the School has used ESSER 1, and ESSER 2 and 3 are ongoing; with ESSER 2 they have \$650,000 to use until June 30, 2023; with ESSER 3 have \$1.4 million to use until September 30, 2024.

Chairman LaBranche asked if any of those funds can be used for windows; Business Administrator Mellon said they can, but they are trying to be very strategic and felt student support was the biggest need. She said the School introduced a new Facilities model where Faculty Tecs are getting training to perform preventative maintenance for the District, which we use to contract out for, and are hoping to see savings over time.

Mr. Cady said he understands special services are up because of custodial (\$386,000) and food service (\$183,000) which is approximately the \$547,000 that Professional Services is over budget. Business Administrator Mellon said that is correct, but they also have money sitting in salaries corresponding to vacant positions and used that money for some of Professional Services. Vice-Chair Wolfe said you are picking up nearly \$1 million if you look at salaries you are already paying, plus associated overhead costs, and asked how many employees were vacating as of March 31, 2022. She said severance payments are for teachers who retired which is part of the CBA, and there were 6 unplanned retirements; vacation payout is a Department of Labor Law.

MEETING MINUTES

Approval of Meeting Minutes of May 23, 2022

Motion: Vice-Chair Wolfe made a motion to approve the Meeting Minutes of May 23, 2022, seconded by Mr. Ward.

Vote: Motion approved by a vote of 6-0 with 1 abstention.

ANY OTHER BUSINESS

Chairman LaBranche said the Budget Committee has two (2) vacancies and has two months to fill those.

Municipal Budget Committee Public Hearing
June 27, 2021

Next Meeting: August 29, 2022 at 6:30 pm in Town Hall Auditorium.

ADJOURNMENT

Mr. Cady made a motion to adjourn the meeting, seconded by Mr. Carpenter, all in favor 7-0.

Chairman LaBranche adjourned the meeting at 7:21 pm.

Respectfully Submitted,

Patricia Denmark, Recording Secretary