

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

SEPTEMBER 28, 2020 7:00 PM

REMOTE MEETING

Approved October 26, 2020

MEMBERS PRESENT VIA ZOOM: Chairman Daniel V. Smith, Vice Chairman Jeff Raab, Roger Cady, Joe Lamattina, Michael LaBranche, Eric Wigode, Town Council Alt Rep Megan Brabec, School Board Rep Michael Kenison, Matt Evangelista

EXCUSED: Robert Ortins

GUESTS VIA ZOOM: Representative David Luneau, School Business Administrator Janna Mellon, Superintendent Dr. Susan Givens, Representative Mike Cahill

AGENDA

Chairman Dan Smith welcomed everyone to the September 28, 2020 Newmarket Municipal Budget Committee Remote Meeting and called the meeting to order at 7:03 pm, followed by the Pledge of Allegiance.

Chairman Smith stated that Rob Ortins is unable to join us this evening due to family illness, and John Baldi has submitted his resignation as he and his family are relocating.

Notice for Remote Meetings: As Chairman of the Municipal Budget Committee, due to the Covid-19 coronavirus crisis, and in accordance with Governor Sununu's Emergency Order #12 pursuant to executive order 2020-04, this Board is authorized to meet electronically.

Please Note that there is no physical location to observe and listen contemporaneously through the meeting which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, this is to confirm that we are:

(A) Providing access to the meeting by telephone with additional access possibilities by video or other electronic means. We are utilizing the Zoom platform for this electronic meeting and all members of the Board have the ability to communicate contemporaneously during this meeting through Zoom platform, and the public has access to contemporaneously listen and if necessary participate in this meeting through dialing area code 929-205-6099 and meeting ID 84445067551;

(B) Providing public notice of the necessary information for accessing the meeting via Zoom, instructions provided on the Town of Newmarket Website at: www.newmarketnh.gov.

(C) There are provisions made to alert the public body during the meeting if there are problems with access: please call 602-292-1221.

(D) We will adjourn the meeting if the public is unable to access the meeting. In the event this happens, the meeting will be rescheduled. Please note that all votes taken during this meeting shall be done by Roll Call vote.

Roll Call Attendance: Jeff Raab-present/alone, Roger Cady-present/alone, Joe Lamattina present/alone, Michael LaBranche-present/alone, Eric Wigode-present/alone, Matt Evangelista-present/alone, Michael Kenison-present/alone, Megan Brabec-present/alone, Dan Smith-present/alone

Invited Guests: Superintendent Susan Givens-present/alone, Representative Mike Cahill-present/alone, Janna Mellon-present/alone, Representative David Luneau- present/with wife,

OLD BUSINESS

Approval of the Minutes of the Municipal Budget Committee Meeting of August 31, 2020

Chairman Smith asked that approval of the minutes be moved to later in the meeting to allow Representative Dave Luneau to make his presentation. All Budget Committee members were in agreement.

NEW BUSINESS

Presentation on NH School Funding Study – Dave Luneau, Chairperson of the Commission to Study School Funding, NH House of Representatives

Representative David Luneau said he would present an introduction to the School Funding Commission, what we are doing, how we are doing it, and remark on highlights from our Research Consultant's final report and what may be coming forward during the next Legislative Session. Representative Mike Cahill said we need Budget Committees and other bodies understanding what we are up against and what we might be able to do to make things a little better for education and property taxpayers.

Representative Luneau said last year the Legislature established a Commission to look at how we fund schools in New Hampshire. The Commission is part of a 3-step process to help with funding public education: (1) In the State's 2-year 2018-2020 Budget the first step was to fully restore stabilization; communities across the State have been hurt by a chipping away of essential support at a rate of 4%/year, causing increases in property taxes. (2) To provide fiscal disparity aid in the FY2021 School year to communities with low property value on a per pupil basis and work harder through property taxes to raise the money needed to operate Public Education; an additional \$50 Mil went into the current FY2021 Budget. (3) Establish the School Funding Commission to understand the problems in NH funding of public schools, look at different solutions, then make useful recommendations.

Representative Luneau said as Chair of the Funding Commission it is his number one priority that the work of the Commission will be relied upon by all policy makers, especially during Budget negotiations and really address the inequalities across New Hampshire. He said they have contracted with a national expert consulting firm on evaluating what we are doing in NH and the impact on students and taxpayers: (1) contracted with the Carsey School at UNH to manage our work and provide analytical services; (2) contracted with American Institutes for Research (AIR) with a special area in education funding.

Representative Luneau said AIR released a draft last month of their final report, tearing into DOE 25 data from every school district in the State for past 10 years, analyzing and drilling into performance outcomes in NH collected by the Department of Education (DOE) in terms of standardized assessment scores, attendance and graduation rates, and how students are performing. He said NH is one of the top states

in New England in terms of education outcomes and performance outcomes, and New England is among the top in the country. He said some districts are performing way above the State average and others way below. Consultants at AIR pointed out that the school funding system in NH is not fair to students or taxpayers, and explained how to rectify those inequalities, and it is up to the 60-member Commission.

Representative Luneau said a major change is to focus adequacy not on what goes into Public Education but what comes out. He said we know how much NH spends in terms of funding Public Education at the State and local level and are developing a model that will show estimated costs for every NH school district to achieve State average outcomes on a fair basis. He said the Commission meets every week, sometimes twice, and has really embraced the outcome-driven approach. He said the Commission has a website managed by the Carsey School and the final report is available on the main pages under resources. It is a comprehensive collection of everything that has been done in NH over the last several decades

Questions: Mr. Lamattina asked Representative Luneau if he could give a rough description of what is coming out of this; he said his understanding is they are looking towards a \$5/1,000 going along with property tax to fund education. Representative Luneau said the AIR Report laid out a number of different scenarios, showing ways it can be done using NH's existing sources of revenue looking at different models; they will be learning more about MA Chapter 70 model in next few weeks which starts a mandatory minimum property tax and has a grant formula dependent on property wealth in a community. He said ultimately the Commission will not be the one that decides on sources of revenue, it will be up to lawmakers and Governor, and he hopes they will rely on the equitable underpinnings in this Report.

Mr. Lamattina asked if he cared to say what is going to happen, and Representative Luneau said that is hard to do as debates can take a lot of time which we do not have with students already in the system not coming close to State average outcomes. Mr. Cady asked when the report would be completed and when the legislature would start looking at alternatives. Representative Luneau said the report will be completed in December, and said he expected to see legislation filed in November, and some policy developed in the FY2021/2022 Budget.

Mr. Kenison asked the political makeup of the Commission. Representative Luneau said everyone is asking tough questions and no one is coming at this from a predictable standpoint. He said for this to be durable legislation it will have to be a bipartisan effort, otherwise it will just go back and forth every time Chambers change hands. Representative Cahill said he shared an article from In-Depth NH covering the State House about the 30-year struggle for education funding we have had. He said another concern that might get rolled into this is School Building Aid.

Representative Luneau said if anything comes up, Committee members can email him directly at dluneau@nh.gov, or send comments to School Funding Commission: school-funding@carsey.unh.edu. He said they also take public comment at the end of every full Commission Meeting. He said we have a substantial public engagement in place to coordinate through the Carsey School and NH Listens, and reach out to taxpayer associations, community leaders, etc.

Final School FY2020 Results & Outlook for Setting FY2022 Budget

School Business Administrator Janna Mellon said the final report has a lot of information but everyone focuses on the Unassigned Fund Balance from the School Budget that goes back to reduce taxes. She said the report was filed with the State, DRA, and DOE; as of this point auditors have given us preliminary financial information on our Audit and they do not expect any material changes. She said our Unassigned

Fund Balance to reduce taxes for FY2020 is \$1,082,620, which will go forward when we set the tax rate for our new Budget for FY2021/2022.

Questions: Mr. Lamattina said he thought a good portion of that money was already going to be used by the School for other things, and mentioned the Bond Interest. School Business Administrator Mellon said this does not take that into account and is from the Budget; the School Bond was a Construction Bond and that is still an ongoing project. Mr. Wigode asked if the School would be doing a press release to let the Townspeople know they are returning this money. School Business Administrator Mellon said that is generally done as part of the Budget Process, when they set our tax rate and look at that with the School Board. Superintendent Dr. Susan Givens said she is happy to include the information in a letter to parents, but does not have access to broader community channels. Chairman Smith said he would be cautious about things that might not recur in future years, and wary of accidentally setting expectations.

School Business Administrator Mellon said we are still in the middle of COVID, and the Budget they are working off right now was prepared pre-COVID. She said two budget cycles will be significantly impacted by what we have here, and said they are still actively hiring and addressing their educational needs. Chairman Smith asked for the rough timing on having the audit done. School Business Administrator Mellon said we have had an actuarial analysis done on our other pensions and benefits which is still being finalized and will go in the note of the Audit; when that is compiled and added to Audit they should have all the pieces to do the footnote, probably late October, then get a draft report back from Auditors.

Chairman Smith said he really appreciated the School Budget Season Calendar included in the packet. Mr. Kenison said in terms of the schedule, it is important to look out long-term now so the Budget Committee and the School have adequate time to review and ask questions. Chairman Smith asked about possible Warrants; Superintendent Givens said from the School side they may have a Warrant Article or two, with PTA possibly asking us to move forward with a similar Warrant we had last year to set aside up to \$50,000 to help co-fund the School Playground Project, but that would not have budgetary impact per se or require anyone to raise and appropriate.

Superintendent Givens asked Chairman Smith if the Budget Committee could look at the dates with a question mark next to them and let her know what those dates might be. She said they are looking to have a Budget to the Budget Committee, approved or adopted, by the School Board Meeting just before Thanksgiving. Chairman Smith said he will try to get a Budget Committee Calendar by their October 26th meeting. Superintendent Givens also asked the usual date for the Budget Committee and Chairman Smith said the last Monday of the month.

Chairman Smith asked if there had been any developments regarding the FEMA change in policy on reimbursement for PPE and cleaning supplies for schools. School Business Administrator Mellon said the decision is pretty definitive, and said we were notified on a Friday afternoon and it was a shock to all of us. She said they had already filed a claim with FEMA for expenditures in 2020, and it was fortunate that the Town was able to rework their expenditures and add ours in. She said their ruling was that Schools are not considered to be necessary to protect health, life, or safety, and the education of children does not fall into that category.

OLD BUSINESS

Approval of the Minutes of the Municipal Budget Committee Meeting of August 31, 2020

Corrections: Mr. Cady said the date listed at the end of the minutes should be September 28, 2020.

Mr. Kenison made a motion to approve the minutes as amended, which was seconded by Mr. Lamattina.

Roll Call Vote: Eric Wigode-aye, Joe Lamattina-aye, Jeff Raab-abstain, Michael Kenison-aye, Michael LaBranche-aye, Roger Cady-aye, Megan Brabec-abstain, Matt Evangelista-abstain, Dan Smith-aye
Motion approved by a vote of 6-0, with 3 abstentions

Newmarket Municipal Budget Committee Resolution #2020/2021-01 – Resolution Codifying the Municipal Budget Committee's Acceptable timeline for Agenda Items

Chairman Smith said the final item is the Resolution of the Budget Committee on rules for submissions and agenda items. He said Mr. Lamattina changed the wording to reflect two (2) business days, and asked for a motion to accept Budget Committee Resolution #2020-2021-01 as submitted by Mr. Lamattina.

Mr. Lamattina made a motion to accept the wording of Budget Committee Resolution #2020-2021-01 as written, which was seconded by Mr. Cady.

Roll Call Vote: Eric Wigode-aye, Joe Lamattina-aye, Jeff Raab-aye, Michael Kenison-aye, Michael LaBranche-aye, Megan Brabec-aye, Roger Cady-aye, Matt Evangelista-aye, Dan Smith-aye
Motion approved by a vote of 9-0

OTHER BUSINESS

Mr. Lamattina said he was disappointed in the School Funding Commission and said he had been hopeful they would do something a little bit bolder though it sounds like it will be more of the same for another 30 years. He also asked about the Budget Committee schedule. Chairman Smith said early next week he would use the School Calendar, reach out to the Town Manager, and send a calendar for this group which they can then discuss.

Mr. Lamattina asked if the last Monday in October would be enough time. Chairman Smith said the Town will be getting their Budget to us sometime the week of November 16th, and they will probably start accelerating their meetings the week of November 30, 2020. He said the goal is usually for us to be done by the end of December; after that any Petition Warrant Articles. Vice-Chair Raab asked about CIP review, and Chairman Smith said they will add a CIP update to the next regular meeting.

Mr. Lamattina said he and Mr. Cady are on the CIP Committee; the CIP Committee is done, and Diane Hardy finalized their recommendations and sent them to the Town Manager and the Town Council. He said he and Mr. Cady will give an update when they receive the final version. He said the Committee did things a little differently and made specific recommendations to the Town Council.

Mr. Kension said the School Calendar is based off the Department of Revenue Administration's recommended calendar which should look familiar from years past and should provide enough time.

NEXT MEETING: October 26, 2020

ADJOURNMENT

Mr. Cady made a motion to adjourn the meeting which was seconded by Vice-Chair Raab.

Budget Committee Remote Meeting
September 28, 2020

Roll-Call Vote: Eric Wigode-aye, Joe Lamattina-aye, Jeff Raab-aye, Mike Kenison-aye, Mike LaBranche-aye, Megan Brabec-aye, Roger Cady-aye, Matt Evangelista-aye, Dan Smith-aye

The motion was approved by a vote of 9-0, and Chairman Smith adjourned the meeting at 8:08 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary