

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

AUGUST 29, 2022 6:30 PM

TOWN HALL AUDITORIUM

Approved September 26, 2022

MEMBERS PRESENT: Chairman Michael LaBranche, Vice-Chairman Christopher Wolfe, Ned Carpenter, Danielle Honan, Richard Lesavoy, Brian Hickey, School Board Rep Dan Smith; Town Council Rep Brian Ward (arrived late)

EXCUSED: Roger Cady

ALSO PRESENT: Town Manager Steve Fournier, Director of Public Works/Fire Chief Rick Malasky

AGENDA

Chairman Michael LaBranche welcomed everyone to the August 29, 2022 Municipal Budget Committee Meeting and called the meeting to order at 6:30 pm followed by the Pledge of Allegiance.

Chairman LaBranche stated that Roger Cady was excused.

PUBLIC COMMENT

Chairman LaBranche opened Public Comment at 6:31 pm.

As there was no Public Comment, Chairman LaBranche closed Public Comment at 6:31 pm.

NEW BUSINESS

Discussion with Director of Public Works/Fire Chief Rick Malasky

Chairman LaBranche said the Budget Committee had some questions regarding ISO ratings by keeping the old fire truck, and asked DPW Director/Fire Chief Rick Malasky to explain.

DPW Director/Fire Chief Rick Malasky said before they purchased the new engine they did not have a reserve piece of apparatus as they did not have the room. He said you get credit for having a reserve, and to keep it you only have to do a pump test annually (\$300) and a vehicle inspection. He said the reserve is not frontline and is typically used when something is out of service; the Department gets ISO credit for having it and it affects the insurance rates of everyone within the boundaries of the Town.

Chairman LaBranche asked the number of fire trucks in the Department based on the vehicle report. Chief Malasky said the Fire Department has a tanker, a ladder truck (quint), and 2 engines including the reserve. Vice-Chair Wolfe asked the capacity of the old pumper and the new engine; Chief Malasky said 1250 versus

1500; tanker holds 2,500 gallons; engine is a 750. Vice-Chair Wolfe asked the shelf-life of the reserve engine and Chief Malasky said as long as they can make it last as a reserve.

Chairman LaBranche asked when the Fire Department anticipated the next purchase of a fire apparatus. Chief Malasky said the tanker is a 2006 which they will push out to 25 years. He said there are no plans to put the tanker into reserve due to space and only one reserve is needed to get the credit. He said multiple things get credits and they start to add up; the department was always a 5.9 and is now a 4.9 which is better, the .9 will always stay as that is the water supply.

Chairman LaBranche asked why the Fire Department has 2 Explorers listed a 2014 and a 2016. Chief Malasky said there is only one most likely the Code Enforcement vehicle. Chairman LaBranche asked about the vehicle they only put 450 mi/year on; Chief Malasky said that is the Utility in the Fire Department. Chairman LaBranche said Public Works has a 2014 Explorer and a 2009 Taurus and Chief Malasky said the Taurus is gone.

Update of Town Financials

Town Manager Steve Fournier discussed end-of-year financials but said they are unaudited with payments still going through the system. He said by end of 2022 the Town expended 90% of the Operating Budget with roughly \$950,000 unexpended. He said they did better than expected but watched expenditures. Revenues increased by \$1,072,383 with \$1 million from tax revenue and additional money from Rooms & Meals Tax from the State.

Town Manager Fournier said they are getting ready for FY2023, and his biggest concern is inflation, with electricity set to go up 85% in December (not budgeted). He said the Town provides 24/7 services and the Wastewater Plant draws a lot of electricity. Mr. Smith asked if the Town had looked into heating oil yet for the upcoming year with talk of shortages this winter. Town Manager Fournier said they did and added that oil also impacts paving which will not go as far this year. He said the government is providing additional funds through Highway Block Grants.

Mr. Lesavoy asked if the Town exceeded revenues by \$1 million for FY2023 and only spent 92% what would happen to the money. Town Manager Fournier said it goes into Unreserved Fund Balance which cannot be touched until the following year. He said in doing the Budget we look at those funds and contribute to Capital Reserve Funds for projects we may need, but it should not be used to offset general operations or pay down taxes as it is a one-time source.

Vice-Chair Wolfe agreed with the need to keep operating costs level and use Capital Reserves to buy equipment. He said the Budget Committee discovered last year that the Town is leasing a lot of equipment instead of buying it. Town Manager Fournier said leases are preferred for larger vehicles as opposed to bonding, which puts it in the Budget and on a lifecycle. He said a new Town Engineer was hired as a transfer from Facilities Director, the Town now has a fulltime Code Enforcement Officer, and the Community Development Director has been on staff for a while. He said we are fully staffed with Department Heads and getting ready to start the FY2023 Budget.

Chairman LaBranche asked if 100% of Real Estate Taxes had been paid. Town Manager Fournier said they had but that does not mean everyone paid their taxes; it came in higher because valuation went up increasing the assessed value. He said he is concerned what would happen if there were a situation like the Real Estate Market Crash in 2007-2008 with the Town at 68% of assessed value; DRA recommends being at 95%-150% and the next Town revaluation will not be until 2025.

Mr. Smith asked if there is a chance the increase in assessments is masking a bad debt problem; Town Manager Fournier said this time there are supposed to be safeguards place. Mr. Smith said assessments on average are up, and if everyone were paying their bills on time, receipts for Real Estate Taxes would go up along with it; but with the Town more or less flat, does that mean we are seeing an increase in people who are not paying real estate taxes. Town Manager Fournier no, they were not seeing that.

Chairman LaBranche asked the Town Manager if he has a timeframe for the Budget. Town Manager Fournier said he will deliver the FY2023 Budget to the Budget Committee on November 13 by charter; the Town Council has been doing a Saturday Workshop 9:00 am until the Budget is finished with Department Heads attending, and he is looking at October 29, 2022. The Budget goes to Town Council by law on October 15 and the Council has a month to approve a budget. Vice-Chair Wolfe asked if the Town has already contracted out for fuel for this year; Town Manager Fournier said they have their own pump for gas and diesel and have contracted through the State.

MEETING MINUTES

Approval of Meeting Minutes of June 27, 2022

Motion: Mr. Carpenter made a motion to approve the Meeting Minutes of June 27, 2022, seconded by Mr. Ward.

Vote: Motion approved by a vote of 7-0 with 1 abstention.

ANY OTHER BUSINESS

Mr. Lesavoy raised the issue of the Budget process where the Budget Committee does not get to hear from Department Heads and ask questions. Mr. Smith said broadly speaking the Town Council and the School Board have two types of meetings: Workshop Sessions and Business Sessions. He said it should be public, but it is not interactive, and said the Working Session is for the Council to decide what they want to advance as a Budget.

Chairman LaBranche said next month the Budget Committee is tentative to meet with the School, and asked members to submit anything they would like to add to the Agenda.

Mr. Ward apologized for being late, but said the Website listed the meeting starting at 7:00 pm.

Next Meeting: September 26, 2022 at 6:30 pm in Town Hall Auditorium.

ADJOURNMENT

Mr. Carpenter made a motion to adjourn the meeting, seconded by Vice-Chair Wolfe, all in favor 8-0.

Chairman LaBranche adjourned the meeting at 7:09 pm.

Respectfully Submitted,

Patricia Denmark, Recording Secretary