

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

**NOVEMBER 28, 2022 6:30 PM**

**TOWN HALL AUDITORIUM**

***Approved December 19, 2022***

MEMBERS PRESENT: Chairman Michael LaBranche, Vice-Chair Christopher Wolfe, Roger Cady, Ned Carpenter, Richard Lesavoy, Brian Hickey, School Board Rep Dan Smith, Town Council Rep Brian Ward

EXCUSED: Danielle Honan

ALSO PRESENT: School Superintendent Todd Allen, School Business Administrator Janna Mellon, Jr-Sr High School Principal Andrew Corman, Director of Student Services Erica MacNeil

Chairman LaBranche welcomed everyone to the November 28, 2022 Municipal Budget Committee Meeting and called the meeting to order at 6:30 pm followed by the Pledge of Allegiance.

**PUBLIC FORUM**

Chairman LaBranche opened the Public Forum at 6:30 pm; as no one from the public came forward, Chairman LaBranche closed the Public Forum at 6:30 pm.

**NEW BUSINESS**

**Financial Quarterly Report from the School**

School Business Administrator Janna Mellon said Expenditures are still being affected by COVID; Food Service Fund model shifted this year to outsourcing both schools with shifts in revenues due to expiration of USDA Waivers. Submitted 4 projects for supplemental grants under SAFE; two approved and two are pending; still using ESSER Funds. FEMA Project recouped \$386,000 unanticipated revenues to reimburse for sanitation services/equipment/supplies, anticipating another \$120,000 this cycle.

Business Administrator Mellon said Mr. Cady asked about how the Education Freedom Act on impacted our schools this year and said Newmarket Schools will be losing about \$2,000 in Adequacy Aid this year due to that program, reimbursed in stages after students withdraw and difficult to predict.

**Discussion on School CIP Request**

Chairman LaBranche said this will be addressed at the next meeting.

**Discussion on School FY2023-2024 Proposed Budget**

School Superintendent Todd Allen said the FY2024 General Fund Proposed Budget increase is 3.9% and said there were many anomalies in how money was budgeted this year trying to return to as much

normalcy as possible. He said he met with every Department Head and went through budgets line-by-line. Goals identified were: (1) Hold to a 4% increase; inflation 7.7% expected to continue into 2023-2024; energy and benefit costs rising significantly; (2) provide support for all School improvement efforts through leadership change and disruptions; (3) hiring and retaining good staff; (4) be responsible stewards of Newmarket's money. Need an analysis of enrollments: NESDEC expects 961 students enrolled in FY2023-2024, with 970 this year.

Superintendent Allen addressed a question submitted regarding a general decline in Public School Students in New Hampshire and across the region, and said New Hampshire has dropped 5.8% of their enrollment, with different decisions being made about education and families choosing home-schooling, Charter Schools, or Private schooling. Staffing Plan gives a broad view of the entire district, every department, and a summary reflecting an overall reduction of 7.35 FTE or 3.6% of staffing; have been down 6 Paraprofessionals yearly for the past 5 years and decided to pull those positions; Elementary School reduced 2 FTE, one due to attrition and one to retirement, using opportunity to increase Special Education staffing; across the district staffing was reduced by 3.6%.

Superintendent Allen said there are basically three things that drive the budget: Salaries, Benefits, and Operations. Under Salaries the \$319,980 increase accounts for Teacher's Contract (\$608,609 now in Budget) less \$288,628 for staff reductions; Benefits budgeted at 9.5%; Operating Costs: \$229,881 reflects shifting over of Contracted Services; Operations increase of \$540,127; \$980,203 is increase last year to this year of 3.9%. Pie Chart: 46% of costs are salaries, 21% benefits, 25% operations, and 8% Debt Service.

Mr. Lesavoy said it works out to about \$27,000 per student and asked about comparison to other school districts. Superintendent Allen said costs are not necessarily directly connected to student enrollment and said there are more limitations on staffing at the secondary level with certifications; he said that is not how the State calculates per pupil. He said there has been a 10% drop in enrollment over last 3 years and every position needs to be reviewed moving forward.

Mr. Cady asked if the School benchmarks itself against other school systems; Superintendent Allen said on the State Website the cost per pupil range is enormous. Mr. Hickey asked if there was concern about the enrollment trend; Superintendent Allen said NESDEC looks at live births in the community which are fairly consistent in Newmarket, and said the School has to right-size staff as they go along and provide programs kids need. Mr. Cady said Newmarket needs and deserves good schools but he was concerned the School would have trouble over time maintaining the same programs with costs going up 9%/year over last 4 years.

Superintendent Allen said when funding runs out the School will have to decide if costs can be absorbed locally. He said the Jr-Sr High School just went through the NES Accreditation process with the idea to closely review entire programs; moving forward we need to have some commonly held community values around what we want out of Newmarket Schools and what we want our students to have achieved, creating a Vision of a Graduate. He said there are currently 70 kids living in Newmarket that do not go Newmarket Public Schools: 50% are home schooled, 14 in Charter Schools, and 6 at Private Schools; parents are making decisions about what we have in this school and deciding Newmarket will not meet their child's needs.

**Revenues:** Business Administrator Mellon said many of our contracted vendors were asked to hold to their 2023 rates and seven agreed. The School partnered with the Town on energy and used a consultant to help with electric, propane, and oil; locked in electric for a 2-year fixed rate. She said the issue on the

Revenue side is that non-typical things happened even though we kept expenditures down and said she included a tax-impact estimate document along with the Budget. She said a lot of decisions are made early and estimates of appropriations and revenues do not always hold in reality, and student counts vary.

Business Administrator Mellon said the Tax Impact estimate this year calculated out at \$3.07 which is two years of normal tax increases in one year, partly due to changes in the State Adequacy Aid formula in a one-time fashion which only impacts FY2022-2023 and also NH Retirement given as a one-time 7.5% for all teachers. Adequacy Aid has dropped overall by \$200,000. She said taxpayers are looking at a difference of approximately \$890,000 in what we would have gotten for revenues in FY2023-2024 and what we are predicting, which has to do with the State.

Business Administrator Mellon said looking at revenues, there are two components of Adequacy Aid: Statewide Education Property Tax (raised locally from taxation), and Net Education Grant (not raised and appropriated locally). She said in FY2023 \$3 Mil came in from State sources not related to taxation and only \$1.4 Mil had to be raised from SWEPT; now for FY2024 State is only giving us \$2.3 Mil and the School has to make the difference. She said overall total Adequacy Aid for SWEPT and Net Education Grant last year were \$4.4 Mil; estimate for FY2024 is down \$200,000 to \$4.2 Mil. Local revenues are relatively stable with decrease due to closing out of Bond Fund, expecting less in Special Education Aid and other State Aid of \$132,000 as a one-time NH Retirement contribution; small increase anticipated in nutrition revenue.

**Elementary School Budget:** Superintendent Allen said at the Elementary School the focus is on 3 things: (1) continued implication of Bridges Math Program across curriculum; (2) do a K-5 literary program review; (3) Multi-Tiered Systems of Support (MTSS) based on making decisions about what students need based on student information including social/emotional, mental health and well-being. Staffing: 2.0 FTE removed from Budget and 3 paraprofessionals; added 1 Case Manager for Special Education. Enrollment numbers differ from NESDEC Report, looking at actual students physically in the classroom.

Superintendent Allen said there are 82 first graders; for next year staffing models used “actual” students. Staffing this year for Elementary School 29 FTEs, for FY2024 proposing 28 FTEs adding Case Manager but 2 classroom teachers reduced in that number; from K through 5 class sizes run 16-19.5 students. Overall Elementary Budget going down 0.3%.

Mr. Lesavoy asked about tuition for Newmarket students going elsewhere; Superintendent Allen explained they were special needs student assigned to IEPs for out-of-district placement, and part of the increase at Highschool level shows a reduction in Middle School and Elementary levels; varies depending on need and State Aid also comes into play.

**Junior High School Budget:** Superintendent Allen said the concept for the Junior Highschool is an old model for kids in grades 6-7-8; most schools have switched to the “Middle School Model” taking a look at programs and making sure they are age-appropriate and supportive of student needs. A positive about being with the Highschool students is access to programs; negative is attaching Middle School to Master Schedule driving Highschool; trying to establish a distinctly separate model to be more student-centered creating programs at that level, also equally invested in MTSS. Middle School enrollment for FY2024: 76 (6<sup>th</sup>), 67 (7<sup>th</sup>), 81 (8<sup>th</sup>); have unified arts offered to middle school kids with 18.5 FTE staffing level for Middle and High School; Staff: 1.08 FTE reduction overall; Junior High School Budget down 0.4% (3,880.633 to 3,863,532) overall.

Jr-Sr Highschool Principal Andrew Corman explained that the STEAM (Science, Technology, English, Arts,

Math) program meets for 50 minutes working on activities, a lot of which are student-driven. It is an opportunity for students and staff members to interact in a completely different way; every 45 days students rotate to a new teacher. It is a valuable time in the students' day and an opportunity to learn something different.

**Junior High School Budget:** Superintendent Allen said there was an NEASC (New England Accreditation of Schools and Colleges) accreditation visit at the High School which gives a list of recommendations the school will be working on; Vision of a Graduate conversation scheduled for January to engage community: no better way to move your school forward. He said Newmarket is a very small school system which comes with limitations, but with the ability to make small changes quickly.

Superintendent Allen said the High School is also using MTSS and UbD (Understanding by Design) a curriculum development tool to share knowledge and information. Enrollment: 271 in FY2023, predicting 291 for FY2024, NESDEC predicts 276. Staffing Plan: reductions in paraprofessionals, overall 3.34 FTE. Budget bottom line shows increase of \$397,097 or 6.7%; FY2023 Proposed Budget \$5,902,994, FY2024 \$6,300,092. He acknowledged tuition increase of \$147,500 which also includes tuition paid to Seacoast School of Technology (SST) for 69 students. Professional Staff: significant increase of 6.7%, a function of new CBA and step increases.

**Student Services:** Superintendent Allen said District-wide ages 3 to 21 , age out at 21 years (special programs to help transition); total of 187 students being serviced by Special Education Services; currently 17 Case Managers across District 3 funded by Grants with 11 students/case manager. At Middle and High School level more of a co-teaching model with Special Education working side-by-side with classroom teachers to help plan and implement programs. Have an increase of 1.0 FTE Case Manager at Elementary School; all changes boil down to approximately \$120,000 increase, tuition up \$144,000. He said if a child at a Charter School has special needs our district is still responsible for services for a cost of about \$13,000 next year.

Director of Student Services Erica MacNeil said our numbers historically dip up and down by approximately the same number in Special Education, but general enrollment has declined, so when you set an average, the number goes up (less general enrollment), historically in the 16% range. She said since the pandemic student needs have gone up with a huge number of elementary school requests for extra services. Superintendent Allen said ESOL programs currently have 18 students not English speakers as a first language.

**General Administration:** Superintendent Allen said this covers Legal Services, Human Resources Staff, School Administration and School Board (16.5% Budget increase). Mr. Lesavoy asked about the \$82,595 increase for Professional Services. Superintendent Allen said we are proposing an HR Consultant to assist us with handling complaints, streamlining our contract system, do a salary study and the other half is Legal (\$50,000); will be assessing the effectiveness and usefulness of the HR consultant.

**Other Instructional Services:** Superintendent Allen said our new Director of Curriculum & Instruction, Patty Wons, will also be mentoring new staff when they come on board. He said the Other Instructional Services Budget does not reflect everything she does. Overall, the FY2024 Budget of \$93,918 shows a decrease of 7.6%.

**Business & Operations:** Programs include Business, Finance, Food Service, Facilities, and Regular Education Transportation. Business Administrator Mellon said Business/Finance is basically the Business

Office and operations with the primary driver increase of \$25,000 due to salaries; Transportation has small increase of 3.7%. Biggest shift in operations has been in Food Service and Facilities; struggled with staffing for several years. Food Service ran one school with our own staff last year with second school outsourced; this year using Food Service Management for both schools. She said USDA revenues from prior years cannot be used to offset taxes and must remain in the Food Service Budget. Primary drivers were food costs, labor, and department benefits with an overall increase of \$19,000 or 4.7%; budgeted equipment, professional services (outsourcing), repairs and maintenance to kitchen equipment.

Business Administrator Mellon said Facilities district-wide shifted to new model outsourcing our custodial services and training up existing staff to be Facilities Technicians working in with vendors. Utilities costs: locked in a fixed rate for electric with one year left; Facilities Director Budget up 168.9% due to bringing staff in. Technology: Overall increase of 18.2%, have a 0.35 FTE Intern; now 1:1 for all students and staff increasing that to 0.65 FTE for an IT Assistant; all software shifted back to building budgets and a replacement cycle introduced. Debt Service: dictated by Debt Schedule voted and approved by voters a few years ago as part of renovation

**Questions Submitted:** Superintendent Allen answered some the questions submitted from the Budget Committee: (1) Enrollment disparities class to class: explained the drop is due to overall decline in Public Schools across the region, families making more choices with attrition over time. (2) Pre-K and KG enrollments seeing declining trend over the years: explained Pre-K is not projection based and Preschool is special education and some general with KG difficult to predict. (3) Whether School competitively bids Health Insurance Programs; are competitively bidding ancillary insurance (long-term disability/life); committee set in 2023-2024 to start looking at Health Insurance; would need to renegotiate any changes with CBA.

Business Administrator Mellon answered further questions: (4) Projection for cost-per-student in coming years and question of sustainability: she said we have seen a gradual decline but are not able to reduce staff at this point in the Budget; reduction made across District. (5) Given prior question and decrease in State Aid, is trend sustainable: she said the School continues to provide robust offerings in a cost-effective way. (6) High School Budget tuition line increasing with \$60,000 due to a shift from middle level to High School; annual actual increase only 3.6% all together: explained Special Education tuition increase is for all 3 levels, High School offset by decreases elsewhere (\$144,000); Special Education Aid received yearly from State, expecting \$300,000 in aid this year from amount spent in FY2021-2022 ; schools submit what they spent over and State provides a percentage return of about 72%.

Superintendent Allen said the last question (7) references universal assessment tools in MTSS, used with all kids. The State requires SASS testing done in spring; report by Patty Wons for just this fall and report given to School Board last April.

Chairman LaBranche said the actual Proposed Budget is \$25,952,112 and asked if there was a Default Budget yet. Business Administrator Mellon said it will be presented to the School Board on Thursday and would get it to the Budget Committee as soon as possible; it is lower than proposed but higher than last year. Mr. Cady said in his opinion this is the best budget presentation he has seen from anyone on budgets in terms of clarity and amount of information in his 4 years on the Budget Committee; Vice-Chair Wolfe agreed.

**Selecting a second date for Budget Public Hearing**

Municipal Budget Committee Meeting  
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Chairman LaBranche said in the event of snow the Committee needs to determine a second date for the Budget Public Hearing. He said School is set for January 9, 2023 (Monday) and Public Hearing has to be done by the 17<sup>th</sup>. The Committee discussed the date and agreed to try to arrange for both the Town and the School Hearings on the same night.

**MEETING MINUTES**

**Approval of Meeting Minutes of October 24, 2022**

**Motion:** Vice-Chair Wolfe made two corrections to the minutes and made a motion to approve the Budget Committee Meeting Minutes of October 24, 2022 as amended; Seconded by Mr. Cady; Motion approved 7-0 with 1 abstention.

**ANY OTHER BUSINESS**

**Next Meeting:** December 19, 2022 at 6:30 pm in Town Hall Auditorium: Town FY2024 Proposed Budget.

**ADJOURNMENT**

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

Chairman LaBranche adjourned the meeting at 8:27 pm.

Respectfully Submitted,

Patricia Denmark, Recording Secretary