

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

DECEMBER 19, 2022 6:30 PM

TOWN HALL AUDITORIUM

Approved January 30, 2023

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

EXCUSED: Brian Hickey

ALSO PRESENT: Town Manager Steve Fournier, Finance Director Bill Tappan

Chairman LaBranche welcomed everyone to the December 19, 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; as no one from the public came forward, Chairman LaBranche closed the Public Forum.

NEW BUSINESS

Presentation of Proposed FY2024 Town Budget

Town Manager Steve Fournier presented the Budget approved by the Town Council in October:

State of the Economy in Newmarket: Unemployment seeing rebound from 2020 pandemic; July Unemployment Rates over 3 years: US decrease from 10.5% to 3.8%; State 7.9% to 1.9%; Rockingham County 8.4% to 1.9%; Portsmouth Metro 7.4% to 1.6%; Newmarket 7.6% to 1.5% (negligible). Consumer Price Index (CPI) increase over 4 years: Urban National 1.3% to 8.5%; Northeast Regional 1.1% to 7.3%; Boston 2.1% to 7%; seeing significant increases in cost of goods over time due to inflation.

Tax Rate FY2023 Estimate: State School \$1.42 (5%); County \$0.94 (4%); Town \$6.27 (23%); Local School 18.36% (68%); 5-Year Tax Comparison: Town pretty much stable; Assessed Valuation of Town: Revaluation done in 2018, value today is \$995,277,048. In determining Tax Rate take assessed value of Town/1,000; \$1.00 on tax rate of \$995,277. Concern now is the Tax Ratio, which determines the value of the Town by market sales; valuation right now is at 72% (DRA recommends 85% to 105%), with assessed value lower than market value.

Town Council Recommended FY2024 Town Budget

The Town Council recommends an FY2024 Budget of \$16,240,017, 6.72% increase of \$1,022,176,52: General Fund \$445,937, Special Revenue Funds \$425,433, Enterprise Funds \$150,806. Budget by Fund:

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General Fund \$9,746,620 (60%); Enterprise Funds (Water/Sewer) \$4,550,196 (28%); Special Revenue Funds \$1,890,436 (12%); Solid Waste offset by bag fees, Rec Revolving, Library provided with grant and they oversee their budget.

Where is it Going: Electricity \$152,850, Heating Fuels \$109,900, Health Insurance \$83,217, Workman's Comp \$15,375, Salt \$35,000, Gasoline \$11,500, Diesel \$22,000, Fire Parttime Salaries \$22,912, Liability Insurance \$18,704, Library Salaries \$51,524, Library Health Insurance \$28,445, Solid Waste Collection \$25,000, Water Chemicals \$22,000, Sewer Chemicals \$37,000.

Capital Reserve Contributions: Public Works (equip) \$75,000; Building Improvements \$25,000 increase; Road Improvements \$250,000; Fire Department \$50,000 to pay leases for equipment; Police Dispatch Equipment \$15,000; Veterans Memorial Trust \$2,000; 300th Anniversary Expendable Trust \$2,000; Rec Facilities \$25,000 (up \$10,000); Master Plan \$10,000; Telecommunications(IT) increase \$20,000. Revenue Budget: Looking for increase in revenues; last year \$9.3 Mil, anticipating \$9.6 Mil this year; seeing increases in General Fund up to \$4.1 Mil, Enterprise Fund up to \$4.5 Mil, and Special Revenues increase to \$946,298.

Tax Rate Estimate only using data we have today: Take Gross Appropriations of \$16,240,017, less Revenues, add Overlay (\$20,000) and War Services Credits, to get Net Town Appropriation of \$6,697,848; take Town Assessed Value and multiply by 1,000 to get \$6.82/per 1,000, previous year \$6.75. Warrant Articles: (1) To raise \$100,000 for loan for planning work for Municipal Storm Drain System for Moody Point; Town will receive 100% principal forgiveness, no impact on tax rate; (2) 3-Year Police CBA with \$3.50 hourly increase for everyone Year 1, 5% increase Years 2 & 3; Impact: raise and appropriate \$167,385 (2024), \$70,215 (2025); \$75,725 (2026); not yet approved by Town Council, adds \$0.17 to tax rate.

Questions: Mr. Lesavoy asked why CIP recommendations were not included. Town Manager Fournier said usually Department Head recommendations are used in budget process, and CIP is a planning document not budgetary. Mr. Lesavoy asked why the Fire Department \$50,000 was not shown in budget; Town Manager Fournier said the Council was asked to put it back in. Mr. Lesavoy said the consensus of CIP was that 10-year leases for Fire Department vehicles becomes a predictable expense and asked why it was not treated the same as Police Vehicles. Town Manager Fournier said he would prefer to have it as a leased item and would work toward that.

The tax ratio of 73.7% was discussed and Town Manager Fournier said his concern would be if this were a revaluation year; he said some inflation costs have leveled but not the Housing Market; Mr. Cady said high interest rates will dampen the Real Estate Market. Vice-Chair Wolfe said the issue with valuation and tax rates has more to do with equality of distribution of taxes than it does with the amount of money you are going to raise. Town Manager Fournier said the Town also does quarterly pickups (1/4 of the town) and at 5 years does a statistical update.

Mr. Cady asked when Warrant Articles would be ready for Budget Committee review. Town Manager Fournier said stormwater has been approved by the Council and will be ready shortly; two readings are required for CBA and Council meets January 4, 2023. Mr. Lesavoy asked about the Library budget being the 4th largest expense, and Town Manager Fournier explained the Town Library Law and said Library use has also increased.

Chairman LaBranche said Petition Warrant Articles have until January 11th and asked if they would be

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available for the Public Hearing on Jan 9. Town Manager Fournier said with Newmarket's form of government only financial articles need Budget Committee approval; the Public Hearing is on the Budget not the warrant articles.

MEETING MINUTES

Approval of Meeting Minutes of November 28, 2022

Mr. Cady asked about line 227 regarding the report from Patti Wons and said he thought a copy of the report was to be sent to the Budget Committee. Mr. Smith asked Mr. Cady to look at last week's School Board Meeting with percentile rankings and said he would ask the Superintendent to forward a copy, and slides presented by Patti Wons were included in the School Board packet.

Mr. Smith made a correction on page 2 to change "increase of 0.35 FTE" to *increase of 7.35 FTE*. Ms. Honan said she was not at the last meeting but it showed her as present; but she was listed as absent in those minutes.

Motion: Mr. Ward made a motion to approve the Budget Committee Meeting Minutes of November 28, 2022 as amended; seconded by Vice-Chair Wolfe; motion approved by a vote of 7-0, with 1 abstention.

Mr. Cady said the Committee asked for the Budget from the School; Chairman LaBranche said he received it late today and sent it out. Mr. Cady asked if the Town Default Budget was available. Chairman LaBranche said the School Budget was \$26,652,112 and School Default \$25,943,895.

Chairman LaBranche said School Warrant Article 5 has \$162,110 to be added to the School Improvement Capital Reserve Fund and noted that the vote to recommend was only 3-2 (no impact on taxes). Mr. Smith said that money is left over Interest from the Bond Fund and only 2 things can happen under law: either the Warrant Article passes and goes into the Capital Reserve fund **or** it becomes an offset to the tax rate.

ANY OTHER BUSINESS

Next Meeting: January 9, 2023 at 6:30 pm in Town Hall Auditorium: Town and School Public Hearings and Warrants; Snow/Rain date of January 12.

ADJOURNMENT

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

Chairman LaBranche adjourned the meeting at 7:15 pm.

Respectfully Submitted,

Patricia Denmark, Recording Secretary