

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

APRIL 24, 2023

TOWN HALL AUDITORIUM

Approved June 26, 2023

MEMBERS PRESENT: Chairman Christopher Wolfe, Vice-Chair Richard Lesavoy, Ned Carpenter, Brian Hickey, Danielle Honan, Brian Rowley, Scott Foster, Town Council Rep Brian Ward

EXCUSED: School Board Rep Amy Tilton

ALSO PRESENT: Town Director of Finance and Administration Bill Tappan

Acting Chair Chris Wolfe welcomed everyone to the April 24, 2023 Municipal Budget Committee Meeting and called the meeting to order at 6:39 pm followed by the Pledge of Allegiance.

PUBLIC FORUM

Acting Chair Wolfe opened the Public Forum; seeing no speakers present he closed the Public Forum at 6:41 pm.

NEW BUSINESS

ORGANIZATIONAL MEETING:

Appoint Chairman of Budget Committee

Mr. Carpenter **nominated** *Chris Wolfe as Chairman of the Budget Committee*; **seconded** by Mr. Foster; all in favor 8-0.

Chairman of the Budget Committee: Chris Wolfe

Appoint Vice Chairman of Budget Committee

Councilor Ward **nominated** *Richard Lesavoy as Vice-Chair of the Budget Committee*; **seconded** by Mr. Hickey; Mr. Lesavoy said he was happy to do it but was not sure he would be signing up again after this term. **Vote:** all in favor 8-0.

Vice-Chairman of the Budget Committee: Richard Lesavoy

YEAR-TO-DATE TOWN FINANCE REPORT

Town Finance Director Bill Tappan said the report is broken into 2 parts with left side showing current year and right side showing prior year for comparison. As of end of March in pretty good shape in terms of general expenditures in General Fund and Special Funds. Total spent at this time is typically 75%; at 71% or 2% lower than prior year for General Fund; combined with other funds (Water, Sewer, Rec Revolving, Waste Management) 71% or 3% below prior year overall spent.

Mr. Tappan said the Town has experienced some expected cost increases as well as unanticipated: cost of copper lines increased and new provider found. He said the Town has some positions open which have been a challenge to fill. Conditions are pretty positive as far as Revenues: accrued \$35 Mil ytd vs \$33.5 Mil prior year; increase of \$1.6 Mil mostly due to tax revenues; \$131,000 from State mostly for Meals & Rooms tax; \$337 increase in Charges for Services largely due to Ambulance receipts. Moderate increase in Rec Funds of approximately \$158,000, Wastewater \$105,000. Grants: received second tranche of ARPA Funds in August of \$479,269 with majority earmarked for COVID mitigation and construction work at Fire Department to be completed just before summer.

Questions Mr. Lesavoy asked the restriction of ARPA funds; Mr. Tappan said funds are restricted to COVID mitigation and Water was a big push, as well as increasing broadband. He said he has to report back and explain the projects the funds were used for, largely some water projects and increasing cybersecurity measures due to recent hostage-taking of community Water and Sewer departments.

Chairman Wolfe questioned having received 100% of State Revenues and then identifying that as a negative on the Annual Budget. Mr. Tappan said it is always treated as a negative and expenditures are always treated as a positive on these reports. Mr. Carpenter asked if funds remaining could be held for future use, and Mr. Tappan said everything will essentially be taken up by this final project. He hoped they would end up in the positive and have unreserved fund balance, largely for bond reasons: higher reserves increase the possibility the Town will have a AA Bond Rating. He said expenditures are on track partly due to good management and underspending in certain areas.

Mr. Lesavoy asked about fund balance; Mr. Tappan said you cannot use certain amounts of fund balance for certain things. Mr. Lesavoy asked about using fund balance to replenish Capital Reserve Funds; Mr. Tappan said they could be used for that purpose but the Council can choose to use that money as it sees fit in taking care of the community's financial needs; issue is to make sure enough of the unassigned fund balance is set aside as reserves, above and beyond what you are putting aside for Capital Reserves.

Chairman Wolfe asked about Charges for Services; Mr. Tappan said Ambulance receipts are part of a large list of things some of which see no revenues. Mr. Foster asked if income for water and wastewater are from user fees and grants; Mr. Tappan said you will not see grants in revenues, and said Sean Greig is a master of grant acquisition and that is how the Town gets a lot done, as well as going after loans to refinance for a better rate.

Mr. Rowley asked what kind of reserves are needed to obtain an AA Bond Rating and where does the Town stand now. Mr. Tappan said the Town should be sitting somewhere between 6% to 8%; the State would like to see it closer to 10% or no lower than 8%; GFOA (Government Finance Officers Association) recommends 17%. He said Newmarket is a really solid community and has done nothing but improve its financial assets for the last 10 years and he sees the Town with a AAA rating in the future. Mr. Lesavoy asked when the whole year result would be available; Mr. Tappan said in the Town Report and said the information for the Town Audit comes from there.

Approve FY2024 Calendar

Chairman Wolfe said he passed out a proposed calendar for the year and asked if everyone was good with the schedule; all agreed.

MEETING MINUTES

Approval of March 20, 2023 Meeting Minutes

Municipal Budget Committee Meeting
April 24, 2023

Chairman Wolfe said an adjustment was made to correct the date of the next Meeting to April 24, 2023.

Motion: Mr. Carpenter made a motion to approve the Meeting minutes of March 20, 2023 as adjusted;
Seconded: Ms. Honan **Vote:** All in favor 7-0, with 1 abstention

OTHER BUSINESS

Distribute Copies of Town Charter

Chairman Wolfe said he would bring the copies of the Town Charter to the next meeting on May 22, 2023. He said at that meeting the School will be presenting Q3 2023 Finance Report.

Vice-Chair Lesavoy said CIP is continuing to meet outside of the normal process to get prepared for better coordination and said there is a CIP meeting tomorrow night. Chairman Wolfe said he spoke to the Town Manager about department meetings for new members and he would put together some dates.

Next Meeting: May 22, 2023; School Q3 2023 Finance Report.

ADJOURNMENT

Mr. Carpenter made a motion to adjourn, seconded by Councilor Ward, all in favor 8-0.

Chairman Wolfe adjourned the meeting at approximately 7:15 pm.

Respectfully Submitted,

Patricia Denmark, Recording Secretary