

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

DECEMBER 18, 2023

TOWN HALL AUDITORIUM

Approved January 8, 2024

MEMBERS PRESENT: Chairman Christopher Wolfe, Brian Rowley, Scott Foster, Brian Hickey, Ned Carpenter, Justin Looser, School Board Rep Dan Smith, Town Council Rep Brian Ward; Danielle Honan arrived at 6:40 pm.

ABSENT: Vice-Chair Richard Lesavoy, Tim Chiou

ALSO PRESENT: Town Manager Steve Fournier, Finance and Administration Director Bill Tappan, School Superintendent Todd Allen

Chairman Chris Wolfe welcomed everyone to the December 18, 2023 Municipal Budget Committee Meeting and called the meeting to order at 6:30 pm followed by the Pledge of Allegiance.

PUBLIC FORUM

Chairman Wolfe opened Public Forum; no members of public present; Chairman Wolfe closed the Public Forum at 6:31 pm.

NEW BUSINESS

Chairman Wolfe stated that four questions were forwarded to Town Manager Steve Fournier and written responses received; one question was sent to Superintendent Todd Allen for the School Budget. He said questions will be reviewed, then the floor opened to any other questions.

Questions on Town of Newmarket FY2025 Operating Budget

Town Manager Steve Fournier said the first question received was about Capital Reserves and whether Department Head proposals differ from what is approved and how the discrepancy is addressed. Town Manager Fournier answered that when Capital Reserve contributions are cut it does delay funding the project, but he has to take the overall budget into consideration so reductions are usually made and other sources in the Budget looked into. If a project needs to be done current available capital funds are used.

Second question was in regard to the \$500,000 coming from undesignated, unassigned Fund Balance on page 19: how much will be retained after this withdrawal, what is the percentage of expenses and revenues, and if there are any complications with the Town credit rating by sending these funds to Capital Reserves. Town Manager Fournier said firstly, the Town does not sell Bonds on the open market; debt is issued through the NH Municipal Bond Bank and it does not impact our bond rating, though DRA and Auditors do look at that and put comments in audit report. Town currently has \$2,535,033 Fund Balance or 7.26%

of Gross Town Appropriations; number should be in range of 7%-8%. In 2020 rate was 8.45%, 7.06% in 2021, and last year 7.93%, based on DRA annual tax breakdown; next year's rate depends on revenues and how much is actually spent.

Third question was surprise at seeing decrease in Buildings & Grounds Budget for heat, oil, electricity, and whether it was based on forecasted price drops, impact of planned building improvements, or usage changes. Town Manager Fournier said it was based mostly on inflation not continuing to go up; oil and electricity are dropping and Eversource announced a rate decrease.

Fourth question, in reference to the slide show, asked where information about the Economy came from. Town Manager Fournier said there are two sources: (1) State of NH site called Granite Stats from Economic & Labor Market Information Bureau; (2) US Bureau of Labor Statistics. He said gets a monthly memo from the feds on Labor Statistics, and on Labor Information quarterly.

Mr. Looser asked how far CIP goes out and Town Manager Fournier said 6 years. Mr. Looser asked how town growth factors into that: Town Manager Fournier said for improvements to Police and Town Hall a study will be done year 1, fund design year 2, and go to bond in year 3 while trying to put more money aside; Water and Sewer does the same. We also find grant applications or forgiveness loans. He said 3-4 years ago Rural Development, part of US Department of Agriculture, came in and asked if the Town could come up with \$12 Million worth of projects and a lot of projects were bumped ahead.

Mr. Rowley asked how the Town identifies grants; Town Manager Fournier said Department Heads hear of proposals and the Town Council gave me the authority to accept grants on behalf of the town. If a match is needed I go to Town Council to find funds.

Chairman Wolfe recommended that Committee members view the presentation on Capital Projects. Town Manager Fournier said the video and study are available on the Town Website; explains deficiencies in this building and the police building. Mr. Foster asked the number of Water & Sewer users; Town Manager Fournier said he can get the information, and added Water & Sewer has their own fund balance.

Questions on Newmarket School District FY2025 Operating Budget

Superintendent Allen apologized for not getting Appendix B for the Default Budget to the Budget Committee and said it is projected to be \$27,066,373. He said the question submitted was in regard to teacher salaries: Since recent salary increases did not largely impact teachers, would another salary analysis be done with increases addressing teaching staff. Superintendent Allen said the teaching staff is a CBA unit and any offer would entail further negotiations. He said probably next summer August into fall with an agreement brought to voters next year as a separate Warrant Article.

Superintendent Allen said the current CBA contract cost was \$450,000 for the 3-year deal currently in effect with 3% salary increases yearly, negotiated with Teachers Bargaining Unit of 110 teachers which makes up 60% of entire staff. In comparison to para union and other District employees, the teacher's union has been closer to competitive. He said every teacher in Newmarket is up to \$70,900 for 2024-2025; State average is \$68,000; our goal is to be in top 25% and there is still a small gap.

Chairman Wolfe said last time the need to address Paraprofessional salaries was brought up. Superintendent Allen said paras negotiated a new 3-year contract approved by voters last spring: first year 13% adjustment, next year 4%, then 3%. He said the original rate was significantly below market; last year they were short 17 positions and this year only have one 0.2 FTE position left to fill. Mr. Looser asked

what happens if the union and schools come to a collective agreement, but the town rejects this; Superintendent Allen said they go back to the table and negotiate again, with all provisions of current contract still in effect until a new agreement is arrived at. He said we try to start negotiations early, with an agreement ready by September for the Board to take into account finalizing their budget. He said a few do opt out but the percentage is low.

Mr. Foster said on the Default there is a difference of \$306,000. Superintendent Allen explained that when they appropriate they also have to appropriate all the grant funds. Local difference is \$300,000, but we are estimating \$400,000 in Grant Revenue which also has to be appropriated in order to be spent, and we cannot accept unbudgeted money. We got about \$180,000 in Title 1 money, \$40,000-\$50,000 Title 2 money, and \$25,000 Title 4 money which adds up to about \$400,000. He said the Default Budget is \$700,000 less than total appropriations.

Mr. Smith said what voters approve or do not approve is the total you will spend regardless of where it comes from; grants and State aid end up reducing what you collect through taxation and voters are approving a total number we are allowed to spend. Mr. Rowley asked about the Elementary School Budget adhering to maximum size guidelines, and asked if there is an ideal class size the school would want to students/teacher and under; State recommends as high as 24/teacher. For grades 3 and up Newmarket uses 22 students/teacher based on current staffing levels with 180 spots.

Superintendent Allen said the Board has just started a conversation about the issue of extra space as Newmarket has a limited set of revenue strains and may want to take advantage of the fact that a lot of communities on the Seacoast do not have a High School; there are also school-of-choice options out there, if we could find a partner that would balance what we are trying to accomplish in Newmarket.

MEETING MINUTES

OTHER BUSINESS

Next Meeting: January 8, 2024 – Public Hearing for Town and School; Warrant Articles

Reminder: January 22, 2024 meeting – Budget Committee Vote on Town and School Budgets.

ADJOURNMENT

Mr. Rowley made a motion to adjourn the meeting, seconded by Mr. Carpenter, all in favor 9-0.

Chairman Wolfe adjourned the meeting at 7:11 pm.

Respectfully Submitted,

Patricia Denmark, Recording Secretary