

Budget Committee Minutes December 5, 2011

BUDGET COMMITTEE MEETING (Town)

December 5, 2011 7pm
Auditorium

Present: Brian Hart, Chair

 Drew Kiefaber, Vice Chair

 Al Zink, Town Council Rep

 Judith Ryan

 Rose-Anne Kwaks

 Dana Glennon

 Jack Fitzgibbon

 Linda Mantigani, School Board Rep

 Ellen Snyder

 Leo Fillion

Meeting was called to order at 7:05 pm by Chairman Hart.

Chairman Hart stated he would allow the public to speak after the Town Clerk and the Town Administer speak.

Becky Benvenuti, Town Clerk/Tax Collector: The timing of the tax bills; Newmarket was one of the many towns who received their tax rate late. We received our tax rate on November 18th. Bills were mailed out 3 ½ days later so the due date would be in this same tax year for residents to claim their taxes on this year's tax returns. The statute requires tax bills to be due December 1st or 30 days from the bill due date. There is nothing in the statute that allows the Tax Collector or any other governing body to set a different due date.

On Thursday, it was discovered that DRA (Department of Revenue Administration) made an over billing calculation error of 39¢ on the School Department portion of the tax bill. DRA will provide a letter that will be sent to all residents who have paid their taxes explaining the error and allow the Town to abate their overpayment. If your mortgage company has already paid their taxes, and you want to received a refund personally, the process is to get written authorization from your mortgage company to the town to refund you directly.

Fosters Daily Democrat misprinted the due date for the taxes. The new tax rate is \$25.31. The due date is December 28th. The 12% interest charge starts the day after the due date, December 29th. So, if you don't have the full amount, please pay the amount you have, then the balance of what you owe can be paid later, with the interest charged only to

the remaining balance. The accrued interest averages about 33¢-40¢ a day on the balance. Fosters also mentioned new tax bills will be issued, that was incorrect as well.

Dana Glennon thanked Becky Benvenuti and her staff for working so diligently in getting the tax bills out so quickly.

Ed Wojnowski, Town Administrator read a prepared statement. The Town's gross operating budget is \$9,225,225, a reduction of \$423,885 from the current fiscal year's budget. The general fund is \$7,394,366, down \$328,366.

He reiterated the changes that were put in place for the last three years. We hired a direct assistance person for 20/hours a week. For the second year in a row the direct assistance costs have gone down.

Last year with the retirement of our assessor, we hired a contract individual, after a year, this program is working well.

When our town mechanic retired, we did not hire a replacement, we outsourced the work to maintain and repair all town vehicles. After four months we are still assessor this program until the end of the fiscal year.

The 2013 budget includes no pay increases for town employees. The 2013 budget does not fund two positions; the mechanic position and the Director of Administrative Services. Julie Glover, who held that position, will become the new Town Manager for the Town of Lee. We certainly congratulate her and wish her well in her new endeavor.

Health insurance costs have been reduced. The guaranteed maximum rate is down 1.3%.

Spring cleanup is eliminated this year. It has been recommended to the Librarian to contribute 20% to health insurance the same as other employees. One of the largest increases in this budget is debt services. The Town Council voted by resolution to retire the liability relating to the construction of the PW/Fire Rescue facility within the next ten years. The Capital Improvement Program has the largest reduction. For those people at home, the entire town budget can be found on our website.

Chairman Hart reiterated the roll of the budget committee. The budget committee is an elected committee. There are 11 members, including a School Board representative and a Town Council representative, who are voting members. Their job is to recommend the town and school budgets at the deliberative sessions. Their job is not to cut the budget, but to oversee and analyze expenditures of various town and school departments. The budget committee can add money to areas of the budget or reduce them. They can also disagree with revenue projections from the town and school might project for certain areas.

Money the town receives does not all come from property taxes, there are other sources. If these other sources change, the property taxes go up because you vote on the bottom line. If the state cuts funding, that amount has to be raised through property taxes as well.

Specifically, if the Budget Committee makes a proposal to cut a line item, the reality is the Budget Committee is proposing the bottom line, then the Town Council and Town Administrator, once it is passed, if they feel this line item is important, can expend the money on that line item. They can get that funding from another area. During discussions of the Budget committee, if they feel they want to cut an amount because they don't feel it is necessary, it would be politically a good idea to follow that advice if it does follow through, otherwise you will have the Budget Committee members upset as well as the public.

Special voting day is scheduled for December 20, 2011 to vote on the charter changes, change the voting date from May to March.

Public Hearing to discuss the budget is January 17, 2012. Budget Committee hears the public comments, then they make recommendations. If there are changes made during the deliberative session, The Budget Committee has the opportunity to take another vote.

Public Comments:

Buzz Dietterle: Even without the 39¢ reduction in the tax rate, you would still have the same angry people in town. Still have the same problems. He suggests nothing go into the Capital Reserve Fund (CIP) this year. Residents expected the \$2.00 increase when they voted, but hit doubled. The school dept said they never expected this “extra bump in the road”. Was the Budget Committee ever told about this “extra bump in the road”? Chairman Hart commented no. Chairman Hart explained that the Town Council attempted to return money to the taxpayers last year with using 1.3 million of the fund balance. Unfortunately, one year you use that money to reduce the tax rate, the next year you use zero fund balance monies, and you haven’t reduced expenditures by that much, your taxes will go up. Next year on the school side the rate will be reduced because they did not use all of the life safety money that was voted on. The Town and the School did not make this mistake. The mistake was using too much of the fund balance at one time. He thinks the process should be using a little at a time and help reducing the tax rate a little each year. Mr. Dietterle said he didn’t appreciate be blindsided, and they still have to pay the 12% interest charge.

Mr. Fitzpatrick, Osprey Landing: He agrees to stop any funding to the CIP for this year. He states he sees three “bumps in the road” ahead of Newmarket. water system, sewer treatment plant, and the school system.

Anita Mohan: She asked if the town could use the School surplus of 1.2 million dollars. Chairman Hart stated no, that money is designated elsewhere. Using this money would not solve this emergency this year. By using smaller amounts of the fund balance each year, it would soften the rate each year. Her last statement, please make more cuts.

Russ Simon: He asked when do you vote on the final budget? Chairman Hart replied the final budget that is forwarded for the deliberative session is from the Budget Committee. If at the deliberative session there are changes voted on, the Budget Committee and revote on it. Mr. Simon asked if each warrant article could state that if passed, how much would be added to the tax rate, the State does not allow that on the ballot. Vice-Chair Drew Kiefaber mentioned that for every \$770,000 expenditure, that is \$1.00 on the tax rate. It was mentioned if that information could be put on the warrant articles for discussion during the deliberative sessions, then taken off when the warrant articles are ready for the ballots.

Dan Wright: How come the tax rate was not figured out earlier? Each year things change, save money in some places and not in others from previous years. House of Representatives is part of the problem with state cuts etc., next year they will change too. Warrant articles are always posted on the website.

Ed Portarata: He believes there is room to decrease the budgets in most departments. The unions need to back off a bit. He wanted to know that last year when the 1.3 million was used, how come the public was not told that that would cause a rise in the tax rate this year? He also mentioned he thinks the town has too many employees, and should cut more of the overtime.

Closed Public Comment at 7:55 p.m.

Ed Wojnowski, Town Administrator spoke regarding what the communication was by the auditor regarding the fund balance. Last year when the financial audit was completed they indicated we had a negative \$24,000 balance in our fund balance. They further indicated that going forward, we should not utilize any fund balance until we have accrued 2 months worth of tow operation budget in reserve, which is \$1.6 million a year. the end of this fiscal year the number is \$737,000 in fund balance which is a far cry from where it should be for a two month reserve. The Town Council could have used that money this year, but decided to heed the recommendation of the auditors.

Leo Filion asked if it were true that DRA requires a certain amount of fund balance in order to approve our tax rate. Mr. Wojnowski replied no that is incorrect, there is no such requirement.

Chairman Hart mentioned that if we didn’t have any fund balance it could be difficult to get a bond or a loan.

Leo Filion asked if we didn’t have any fund balance and we had an emergency expenditure would DRA approve the

expenditure?

Mr. Wojnowski replied they would recommend we go to court to ask for a special town meeting and the voters in town decide.

Kevin Cyr, Police Chief: Mentioned that a lot of town employees are residents of Newmarket and got the same hit on their tax bills as well. His budget is down by \$20,000 on non-personnel expenses. Any substantial cuts in the Police budget will have to mean cutting personnel. Still have to put the lights on, still have to put gas in the cars, still have to turn on the heat, still have to provide mandatory trains, still have to buy office supplies, and still have to pay the phone bill. Looking at laying off people if there is a substantial cut in his budget. No way to cut operating expenses.

Chief Cyr spoke as to how it was when he first started in Newmarket. Now have 13 fulltime police officers and when dispatch first started dispatch center served about 1000 – 2000 calls with 5 fulltime employees, the same as today. It takes at least 5 people to staff dispatch on a 7 days a week, 24/7 a day including holidays and sick time. The Police Department is the only department in town where someone has to be at the department at all times. Two employees on duty 24/7 7 days a week.

Another item is the dispatch center. I last indicated that the amount to run the dispatch is about \$300,000, He has since reviewed his figures to find there would be a savings of \$266,000, a 35¢ reduction on the tax bill. He who sees the service every day and as a taxpayer, this is a very poor trade off. If the center were to close, and then reopen again, it would not be as easy as turning the lights back on, or plugging the computers and radios back in. We won't be able to sell off the equipment because some were purchased with grant money and the state and homeland security would have issues with that. We won't have people there to train these new employees, which typically takes 12-14 weeks to get someone up and running, and they would have been working with people who are already doing the job.

Chief Cyr then spoke about an incident that happened tonight around 6:06pm. A man fell off of the railroad bridge on South Main Street. The gentleman called 911 from his cell phone after he fell. He did not know where he was. 911 was able to pin his phone as to his location. PD received the phone call because of the toner link, at about 6:06pm. We immediately had 2 police officers and an EMT at 6:09 on Beech Street Extension looking for the man. We had him by 6:10, the EMT noticed the gentleman was in severe distress with life threatening injuries at which point he asked for a med flight. Within 2 minutes we had the train shut down, arranged the med flight from Boston to Exeter Hospital, within 20 minutes later the gentleman was removed from the tracks and put into the ambulance to transport to Exeter Hospital, within the total time of 45 minutes from the call, he was on his way to Boston in serious condition. If we get rid of the dispatch center, the time frame for responses will not be in that short of time. This type of response is critical in a life threatening situation.

Chief Cyr mentioned that he did not ask for any employee raises.

Dana Glennon wanted to know since the overtime costs are so high, \$104,000 wouldn't it be cheaper to hire another officer. Chief Cyr replied of this overtime a good portion is court overtime and hold overtime. It doesn't include just staffing. When an officer makes an arrest, and that court date is a month later, that officer has attend court on his day off. Also there is the covering of vacation time and sick time. The total staff is 20 employees.

Discussion followed regarding police uniforms. Currently the Chief has a stable staff, but he does replace body armor annually, like vests.

Currently the Town is not receiving revenue from any town for dispatch services. It was asked what the impact would be for responsiveness without our own dispatch center. There will be noticeable delays, Chief Cyr cannot stress enough to not cut the dispatch center, it would be the worse thing the Town could do... Chairman Hart stated we need to regionalize this service.

Al Zink stated police negotiations will soon get underway. There are no pay raises in this budget. If there was an increase, it would have to be a warrant article for the residents to vote on.

Linda Mantigani asked with Newfields pulling out, what is their response time since going with Rockingham. Chief Cyr stated he had to be careful in answering a question like that. Newfields would not respond to that question.

Rick Malasky, Public Works Director: Before he started on his budget he wanted to let everyone know that currently we maintain our own fire alarm system that goes into our dispatch, which covers about 200 properties, 100 street boxes. For Rockingham to receive our alarm system, it would cost \$150,000 to \$200,000 to take that over.

Public Works budget does not include any new staff, no increase in wages. A lot of the expenses are not under his control, for instance; gasoline, diesel, salt electricity, and fuel.

There was a question regarding the Administration line item, there is a difference, the answer is because the 2% raises was included and now it has been taken out.

Dana Glennon wanted to know how closely he watches overtime, since it is high. He feels the call in to work where the employee gets called in on a 4-hour call in, he gets paid for the 4 hours regardless if they work the full 4 hours. Mr. Glennon thinks they should work the full 4 hours or change the Personnel Policy. He suggests Rick look more into the scheduling process. Rick explained that the bulk of the overtime is snow removal. It is hard to predict a snow storm when the weather man isn't always right.

Rose-Anne Kwaks stated we have the software for weather forecast and the state's forecast is extremely efficient. She would like to see implemented when there is a storm predicted, not work 40 hours to prepare for the snow storm. She would like to see management enforce this. Rick stated it is difficult to predict a snow storm regardless of the software. The storm could fall into a different pay day, or different pay week, etc.

Al Zink, stated use man power more efficiently. There are scheduling opportunities, schedule same number of people everyday during for the same time period without regard to events occurring is not the most efficient way to staff.

Brian Hart asked about the salt line item. Have you explored all alternatives other than salt. Rick answered that the cheapest way is to use salt, although we mix the salt with sand and the crew also attends workshops on snow removal. The other alternatives are more expensive and the equipment that does the application is expensive to use and is high maintenance.

Ellen Snyder asked about the Municipal Transportation Fund, that the balance is high. Every time a vehicle is registered through the town a \$5.00 surcharge is added, which goes into this fund. For several years this fund has not been touched. The Town Council has to authorize expenditures. Ellen suggested to write up a roadway plan.

There were further discussions regarding Ash Swamp road repairs and having a plan for the next 20 years as to which roads would be paved.

Buildings and Grounds: There are increases in fuel, heat and gasoline. One seasonal person was cut and weeks were shortened by 2 weeks. There are currently 3 seasonal workers.

Dana Glennon brought up the seasonal workers working on the gardens in town. He feels the Garden Club does a better job than the seasonal workers do on the gardens, so why do we need seasonal parttime workers? Rick stated that the Gardeners have several people working on specific gardens, whereas the seasonal workers take care of other places as well, like the ball fields etc.

Further questions regarding the heating of the Community Center, the town clock maintenance (currently under service contract), and mosquito control.

Rose-Anne Kwaks asked if there was any savings on the heating bill at Public Works due to the fact that the fulltime town mechanic is no longer working every day. There should be a savings.

Vehicle Maintenance: There is no fulltime mechanic now. That position has been sourced out. Before we can figure out how this arrangement is working out, we need to go through a snow season.

Meeting adjourned at 9:50 p.m.

Next Meeting is Scheduled for December 12, 2011

Respectfully submitted,

Kathy Castle, Executive Secretary