



TOWN OF NEWMARKET, NEW HAMPSHIRE
OFFICE of the TOWN ADMINISTRATOR

TOWN OF NEWMARKET, NEW HAMPSHIRE
TOWN COUNCIL BUDGET WORKSHOP SESSION

OCTOBER 28, 2017 9:00 AM

TOWN COUNCIL CHAMBERS

Approved December 6, 2017

PRESENT: Council Chairman Dale Pike, Council Vice Chairman Toni Weinstein, Councilor Amy Thompson, Councilor Gretchen Kast, Councilor Kyle Bowden, Councilor Amy Burns, Councilor Casey Finch

ALSO PRESENT: Town Administrator Steve Fournier, CIP Committee Member Russell Simon, Facilities Director Greg Marles, Police Chief Kyle True, Public Works Director/Fire Chief Rick Malasky, Recreation Director Aimee Gigandet, Finance Director Lisa Ambrosio, Water & Waste Water Superintendent Sean Greig, Library Director Carrie Gadbois

AGENDA

Chairman Dale Pike welcomed everyone to the Town Budget Workshop Session of October 28, 2017 and called the meeting to order at 9:02 am. He said the purpose of the meeting was to review the Town FY2018/2019 Budget.

Town Administrator Steve Fournier explained that the Council would be reviewing various department budgets, making any changes, and holding a vote on the budget at the next Town Council meeting. He said the Council must approve the Town FY2018/2019 Budget by November 15, 2017 and it would then go to the Municipal Budget Committee for review.

Town Administrator Fournier stated that there was already a change made in the Operating Budget as proposed. He said he had received the guaranteed maximum increase from Health Trust which was actually a decrease of 1.2% resulting in a reduction in Healthcare of \$62,900, a reduction in Sewer of \$12,500, and no change in Water.

TOWN FY2018/2019 PROPOSED BUDGET

CAPITAL RESERVE FUND CONTRIBUTIONS

Town Administrator Fournier stated that Capital Reserve contributions were money put aside to do various large Capital projects. He said the CIP Committee had requested that a total of \$1,276,654 be placed in Capital Reserve Funds and that he had recommended \$560,400. He explained that his recommendation had taken into account money already in the funds, and said in actuality he was recommending a total of \$1,052,100 for projects. The projects included: \$146,000 for a dump truck, \$160,000 for a sweeper, Security upgrades at \$15,000, Town Hall furnace \$89,750, Tiger Hose Company building repairs of \$21,500, Town Hall façade work \$38,600, a Police cruiser and radios at \$45,000 each, and a Fire Base Radio at \$20,000. He said at the same time they would be replenishing Capital Reserve Funds for next year.

Town Administrator Fournier next reviewed changes he made to his budget, and said he reduced Public Works from \$156,831 to \$100,000, reduced Buildings & Grounds from \$460,550 to \$100,000, and Roadway Improvements stayed the same at \$135,000. He said Stormwater Management was reduced from \$100,000 to \$50,000, Macallen Dam stayed at \$50,000, Fire Department reduced from \$261,407 to \$50,000, Police Vehicles from \$52,000 to \$26,000, Police Dispatch reduced from \$23,466 to \$10,000, Veterans Memorial stayed at \$2,000, \$10,000 for the Master Plan, eliminated the revaluation and also recommended that the Town hire another consultant to assess utilities. He said there was a \$2,000 contribution to the 300th Anniversary Celebration, \$10,400 for the Library, and \$15,000 for Recreation, all for a total of \$560,400. He said the amount was close to what was withdrawn from the Fund Balance to level out the tax rate, and said the Fund Balance this year was healthier than anticipated at 9%.

Chairman Pike said he would like to go through each line item to make sure he understood the thought process behind the changes. CIP Committee Member Russell Simon said for a long-term plan to make sense it was not just the amount of the contributions year-to-year, and said bringing the Facilities Director onboard would help maintain the buildings. He said Public Works had been reduced from \$156,831 to \$100,000. Chairman Pike said he thought the numbers listed were supposed to reflect what was needed, and Councilor Thompson said that did not take into account what was already in the fund, and understood it was the cost of the project. Town Administrator Fournier said the Town would be appropriating \$306,000 for Public Works projects in the coming year and the Capital Reserve Fund would be replenished by \$100,000 for next year, with \$300,667 already in the fund. He also explained that Police had \$222,259 in Capital Reserves with the cost of a cruiser approximately \$50,000, and said he was cutting the contribution but not the project.

Mr. Simon said that looking at the balances of the Capital Funds was critical, and said the whole Town had slightly under \$4 million in Capital Reserves and a little over 50% in Water and Sewer. Town Administrator Fournier said it was already closer to a little under \$5 million. Mr. Simon stressed that the Town needed to build the Capital Reserve funds yearly to feel comfortable making withdrawals and needed to make replacement contributions. Town Administrator Fournier clarified that there was currently \$65,283 in the Roadway Improvement Fund, but that the \$135,000 contribution brought the total to \$200,000. He said other resources were available for roads besides Capital Reserves, including money from a Highway Block Grant and another reserve fund from the \$5.00 fees. He said the Town did approximately \$300,000-\$400,000 in roadway projects yearly.

Vice-Chair Weinstein said she would like more clarification on Building Improvements which currently had approximately \$243,000 in funds, and said she would like to see a plan for ongoing projects. Town Administrator Fournier stated that projects for this year included Security upgrades, Tiger Hose Company repairs, façade work on the Town Hall, and the Town Hall furnace for a total of \$165,050. He said smaller projects, which should not come from Capital Reserves, would now be covered under a new line item for Operational Repairs.

Chairman Pike said Facilities Director Marles was working on a Building Assessment and longer-range planning which represented a significant amount of work in progress, and asked him to comment on taking Building Improvements from \$360,550 down to \$100,000. Facilities Director Marles explained that some of the projects listed did not fall into what are typically defined as Capital Reserve improvements of over \$50,000, and that they had proposed a new line item for projects under \$10,000 which would drop the total. He said they were also looking at Performance Contracting which might remove the costs completely. He said until the process was completed they would not know exactly what that looked like, but that there would be no impact to the budget or taxpayers. He said he also needed to complete the Facilities Needs Report for all buildings.

Vice-Chair Weinstein said she liked the idea of knowing year-to-year what projects they were going to do. She asked about the Police Department parking lot repairs not listed under the projects, as they were marked urgent by the CIP Committee. Town Administrator Fournier stated that just because the CIP thought it was urgent did not mean he thought it was urgent, and said he could ask the Public Works Director to pave the lot when he was doing another paving project in the area. He said he had to prioritize and look at the impact of the tax rate. Chairman Pike said the project was presented to the Town Council by the CIP Committee as a safety issue.

Town Administrator Fournier said it was the job of each Department Head to advocate for their department, but that his job was to advocate for all the departments and prioritize for the Town while looking at the bottom line of the budget. Chairman Pike said the job of the Town Council was to provide oversight to that. Councilor Bowden asked about a completion time for the Facilities Report, and Facilities Director Marles said he was aiming for an April/May timeframe. He said he had to survey the inside and outside of all buildings and write up a cost analysis for each. He said once it was done it would become a living document which they could update regularly. Councilor Bowden asked about a cost to the Town, and Facilities Director Marles there was no fee on the facilities analysis, but that the costing per job would be listed and would be related to a budget number.

Town Administrator Fournier said that looking at their current Fund Balance at 9.1%, they could add an additional \$250,000 to Capital Reserve Funds without any impact. He recommended adding money to Roadway Improvements and Building Improvements and bringing Stormwater back to \$200,000. Councilor Thompson felt it was good to keep the tax rate as level as possible, and also asked if they could lock in asphalt costs for 2 years from now. Town Administrator Fournier said as soon as the budget was passed they could sign them up for the start of the budget year on July 1, 2018.

Chairman Pike asked if there was a reason to put the money in Capital Reserves rather than the budget, and Town Administrator Fournier said the funds in Capital Reserves stayed there, but funds in the budget would go back to Fund Balance. Chairman Pike asked about eventual bonding for Stormwater, and Town Administrator Fournier they would be bonding as it was a regional project and that it was currently in a holding pattern while it was determined whether DES or EPA would issue the permits. Chairman Pike felt rather than putting more money in Stormwater now, he preferred to put money in Roads. As far as the Macallen Dam Capital Reserve Fund, he said it was now a matter of paying for engineering until they were ready to move forward with a bond. Town Administrator Fournier felt that was about 1 year out.

Chairman Pike moved on to the Fire Department which was reduced from \$261,407 to \$50,000. Town Administrator Fournier said one of the items was the finishing of the second story, and said he and the Fire Chief first had to come up with a plan of what the program would be and then do the project next year. Vice-Chair Weinstein asked if the money currently in the fund was for vehicles and equipment, and Fire Chief Rick Malasky said it was for everything. He said this year they would be purchasing the Volvo Radios due to a special offer from the State, and said there was one more year to go on the lease/purchase of the Air Packs.

Chairman Pike said they had already discussed Police Vehicles, and said there was money available to do what was needed for the next several years. Town Administrator Fournier said he would still like to contribute some funds as they did not know what the cost of a cruiser would be in 4 or 5 years or what equipment they might need, and said there was currently \$222,529 in the fund. Police Chief Kyle True said they tried to rotate one vehicle out every year and purchase a new one. He said there was a system in place to offset the costs of Capital improvements with the Revolving Detail Account, which was usually for purchasing a lower-cost unmarked vehicle.

Chairman Pike said he could not see putting money into an account which looked to have 4 years of funding available. Mr. Simon said that the Town Administrator looked at prioritizing which projects needed to be done this year and also what needed to be done in long-term Capital Reserves to feel comfortable covering the maintenance of assets and replacements. Councilor Kast said it was not clear how to bring those two processes together. Town Administrator Fournier felt they needed to contribute something in order to keep the line item alive and provide funds if needed during the year. Vice-Chair Weinstein felt it should not be changed as it was already cut by half, and said they had Capital Reserve Funds so they could fund projects moving forward. Councilor Finch also agreed that the funding should stay at \$26,000.

Chairman Pike said that Police Dispatch had been reduced from \$23,000 to \$10,000, and Town Administrator Fournier said Dispatch currently had \$182,892. Police Chief True said he was comfortable with the amount. Chairman Pike said all the next funds were small and would not change, and suggested they discuss taking the \$250,000 from Fund Balance. Vice-Chair Weinstein said any money they could put into Roads was a valuable investment for the future. Councilor Thompson said she was not comfortable contributing the entire \$250,000 to Roads and said they should instead pay down the tax rate. Town Administrator Fournier said the policy had changed and Fund Balance could now only be used for one-

time purposes like Capital items. Councilor Bowden felt not all the funds should go to roads and suggested also contributing to Building Improvements.

Councilor Finch agreed that roads should be increased but said he wanted to draw attention to waterfront improvements that were needed due to coastal erosion. Chairman Pike said he would need to present a plan for coastal erosion to the CIP Committee next year. Town Administrator Fournier felt some of the money should be put into Building Improvements as they needed to replace the roof at the Public Works building, and recommended \$100,000 or \$125,000 each to Roads and Buildings. The Council agreed to contribute \$125,000 each to Roadway Improvements and Building Improvements. He said that would bring the contribution for Building Improvements to \$225,000, and the contribution to \$260,000 for Road Improvements, increasing the total Capital Reserve contribution by \$250,000.

RECREATION GENERAL

Town Administrator Fournier said that Recreation General saw a reduction of 0.9% for a total of \$201,519. Vice-Chair Weinstein commended Recreation Director Aimee Gigandet for the great job in providing activities for adults as well as children and seniors, and asked about the status of the Splash Pad. Recreation Director Gigandet said that the School Board had approved writing a letter to LWCF where she was trying to apply for a grant, as no grant opportunities had yet been awarded. She said they needed to know whether they could apply for the \$160,000 Matching Grant, otherwise they would need to try to find funding elsewhere.

RECREATION REVOLVING

Town Administrator Fournier stated that Recreation Revolving had increased by 9.55% to \$305,772. He said this budget was offset by revenue and that everything that came in from programming went back into it and the fund was self-sufficient.

The Town Council Workshop recessed at 10:07 am and resumed at 10:16 am.

POLICE DEPARTMENT

Town Administrator Fournier said there was no difference between what the Department Head proposed and what he proposed, and said there was an increase of 0.14% to \$1,340, 280. Police Chief True said the budget was very lean and he only increased 1 or 2 line items. Chairman Pike asked if he was currently in the process of negotiation on the Police Department contract. Police Chief True said he was but that it was not factored in. Town Administrator Fournier said the negotiations were still in process and any amount agreed to would be on a Warrant Article as a separate item.

FIRE & RESCUE

Town Administrator Fournier said the Department Head had proposed an 11.6% increase for Fire & Rescue and he had proposed a 3.91% increase to \$391,683. Fire Chief Rick Malasky said the increases were in salaries to try to cover more calls, which increased in volume every year. Town Administrator Fournier

said he had reduced Part-Time Salaries to \$160,000 as the exact amount was not known. Vice-Chair Weinstein asked if that represented more hours or more staff. Fire Chief Malasky said it was more hours pay for the Call Department as they were now paying minimum wage to cover the Ambulance. Town Administrator Fournier said this assured that people would be available on weekends to cover Ambulance calls, and said it was also revenue for the Town. Fire Chief Malasky said they had picked up some new people but that it took a year to get them trained and off probation licenses. He said revenues had been higher than anticipated this year.

Chairman Pike said Training & Development was underspent in 2017 with a budget of \$18,000, and was now budgeted at \$20,000. Fire Chief Malasky said he was worried about salaries and could not provide training until the new budget cycle. Vice-Chair Weinstein asked about the increased calls and Fire Chief Malasky said it was mostly frequent callers who wanted ambulance transportation to the hospital which they did not necessarily need. Councilor Thompson asked where they were with Dispatch regarding Newfields and whether there was a potential dollar amount for those revenues. Fire Chief Malasky said that Town Administrator Fournier was handling that, and Town Administrator Fournier said he was coming up with figures now for the best price to charge.

PUBLIC WORKS ADMINISTRATION

Town Administrator Fournier said that Public Works Administration had increased 6.5% to \$458,611, with the majority of the increase in Salaries and an increase in General Supplies. Public Works Director Malasky said he had had to freeze the budget last year due to overages on salt, overtime, trucks, etc. and he was trying to budget this year for a normal winter. Councilor Thompson asked how that increased Fulltime Salaries by \$10,000. Finance Director Lisa Ambrosio said a person was being shared with Water & Sewer and that the MRI plan was to have that person work fulltime for Public Works. Town Administrator Fournier said they had planned that even earlier because of the Wastewater Treatment Plant. He said Public Works Director Malasky had asked for \$65,000 for Overtime and he had reduced it to \$50,000.

ROADWAYS & SIDEWALKS

Town Administrator Fournier said Roadways & Sidewalks had received a 2.48% increase to \$376,370. He said he had reduced the requested \$80,000 for Sidewalk Construction to \$45,000 and Asphalt from \$175,000 to \$155,000, and felt adding the \$125,000 to the Roadway Improvement Capital Reserve Fund would easily make up for that. Vice-Chair Weinstein asked what sidewalks would be done and Public Works Director Malasky said he would be finishing Bennett Way and making repairs to cracked concrete sidewalk panels. Town Administrator Fournier said there was also \$45,000 in this current fiscal year. Councilor Bowden asked about Winter Salt with \$121,242 spent in 2017, and asked if the \$85,000 budgeted would be enough. Public Works Director Malasky said the rate had gone up to \$2.20/ton for this year.

STREET LIGHTING

Town Administrator Fournier said there had been a minimum increase in rates of 2.04% to \$50,000. He said he was not sure what savings the Town might see with LED lighting, but that some of the savings would go back to pay for them and they would not see a drop.

BRIDGES

Town Administrator Fournier said that \$10,000 had been requested for Bridges which he reduced back to \$4,000. Public Works Director Malasky said the money would be used for guardrail repairs. He said guardrails would be added to a culvert on Langs Lane and there was a spot on Ham Street which also needed some work. Chairman Pike asked if he had enough money to do both repairs and Public Works Director Malasky said he did not. Town Administrator Fournier said if there was money in another line item he could take it from there.

VEHICLES

Town Administrator Fournier said Vehicles had been reduced by 2.58% to \$189,000.

SOLID WASTE

Town Administrator Fournier said Solid Waste had seen an increase of 15% to \$534,130. He said it was a revolving fund that did not cover its own costs, but that some of it was offset by money received from bags. He said the increase was a result of the new contract with Casella Waste Systems. Vice-Chair Weinstein asked how much was offset by revenues and Finance Director Ambrosio said she would look into it and provide the information at the next meeting. Town Administrator Fournier said they were becoming stricter in reinforcing recycling criteria.

BUILDINGS & GROUNDS

Town Administrator Fournier said that Buildings & Grounds had increased 22.17% to \$666,980, with the majority due to the new line item for Operational Repairs & Replacements of \$75,000. Facilities Director Marles said there was an increase in the projections for Oil reflected in those line items. He said he added the facility at Beech Street Center \$2,100, increased Town Hall Maintenance from \$13,000 to \$14,500, and said the Community Center had gone up from \$11,000 to \$13,900. He said he added a line for Bandstand Maintenance of \$1,500, Hand Tub Maintenance was \$500, and Stormwater Inspections \$6,500 to cover the increase in inspections which would be required as the Town moved into MS4 permitting.

Operational Repairs & Replacements – Facilities Director Marles explained that this was the fund being set up to cover smaller repairs that did not fall into the \$50,000 Capital items or the \$10,000 equipment items. Vice-Chair Weinstein said she loved the idea but would like to see an implementation plan in place and a list of projects. Town Administrator Fournier said this would replace his coming to the Council for unexpected repairs and making withdrawals from Capital Reserves.

Councilor Thompson said she was not comfortable with the \$75,000 amount and felt \$30,000 or \$40,000 was more reasonable, as well as a better plan of how things would fold in as Facilities Director Marles

completed his assessment. Councilor Finch also felt the amount should be reduced to \$40,000 or \$50,000. Chairman Pike asked the value of all the buildings the line item was supposed to cover. Facilities Director Marles said he did not have the totals yet, but said some of the items included adding fire detection to the Beech Street Center, Tiger Hose repairs and maintenance, Police Department parking lot repairs, and interior painting of the Public Library which totaled approximately \$65,000 for just those items.

Chairman Pike said that as a percentage of the value of the Town the amounts were pretty small, and said the idea was to move away from using Capital Reserves for those projects. He said he was concerned that if the amount was too small and the fund would not be able to do what it was intended to do. Town Administrator Fournier suggested setting the figure at \$40,000 and figure out this year what was needed to fund it adequately. The Council voted to leave the figure for Operational Repairs at \$75,000.

CEMETERY

Town Administrator Fournier stated that Cemetery was down 3.49% to \$36,800.

WATER & SEWER

Water: Town Administrator Fournier said the budget for Water was actually reduced 4.16% to \$1,090,493 due to a change in the healthcare status of an employee, and a contribution was also made to Capital Reserves. Water & Wastewater Superintendent Sean Greig said that the \$364,000 transferred to Capital Reserves came from drinking water users. Chairman Pike asked about the Tucker Well and Water & Wastewater Superintendent Greig said they were currently evaluating the costs of bringing the MacIntosh Well up to treatment, the cost to do the Tucker Well, and working with Underwood Engineers to put a full plan together for the Water Main replacements. He said despite being in a drought again, the Bennett/Sewell Wells were better than ever and the Town water supply was in great shape.

Sewer: Town Administrator Fournier said there had been a reduction in Sewer of 0.36% to \$2,174,545 thought the department request had been for an increase of 0.21%. Chairman Pike brought up the nitrogen reduction in the area, and Water & Wastewater Superintendent Greig said the reduction was huge with a reading last month of 5 mg/L versus approximately 40 mg/L last year. He said that this month they had averaged 3.97 mg/L, and said the process at the Plant was working very well. Chairman Pike said though it was too early to see the impact on the eel grass, it was good to see clearer water in Great Bay, and said the economic impact of losing eel grass was huge in terms of siltation.

Town Administrator Fournier said the plan was to hold an open house at the new Wastewater Treatment Plant for the public to visit and see the operation.

TOWN COUNCIL

Town Administrator Fournier said the Town Council budget increased 8.07% to \$20,750 to reflect the actual cost of the Recording Secretary.

TOWN ADMINISTRATOR

Town Administrator Fournier said the Town Administrator budget increased 0.46% to \$193,750. He said this reflected the change in Equipment Maintenance as well as changes in Fulltime Salaries.

FINANCE

Town Administrator Fournier said the Finance budget had increased 12.25% to \$255,650 due to an increase in audit fees and the lease for the new Financial Software system. Chairman Pike asked which company they would be using for the software, and Town Administrator Fournier said it was Tyler/Munis and was on the agenda for a first reading at the next meeting. He said Munis was the most comprehensive and worked well with other systems, and he was recommending a lease/purchase as the cost of the system was huge. Finance Director Ambrosio said they would be adding a third package for Motor Vehicles, which Munis did not have.

Councilor Thompson asked about the line item for Budget Committee Expenses at \$600. Town Administrator Fournier said he would take that line out. Councilor Thompson also questioned \$300 for Dues & Subscriptions and \$600 for Equipment Maintenance. Town Administrator Fournier said the Dues & Subscriptions were different now due to a GFOA membership, and said the equipment was copiers and printers for payroll. Councilor Thompson asked about reducing Audit expenses and Finance Director Ambrosio said it was a contracted price and that they also needed to do an Actuarial Study for \$2,500-\$3,000.

Chairman Pike asked if the software was the same as the School, and Town Administrator Fournier said it was the same company but that one was municipal and the other was for schools. Councilor Bowden asked about Communication Services, and Finance Director Ambrosio said it was an allocation with a piece also charged to IT. Vice-Chair Weinstein asked about sharing more personnel in the future. Town Administrator Fournier said it was his intention that if any vacancies came up he would review what the School might need at the same time. Councilor Kast said that often software had the potential to streamline those kinds of things, and Finance Director Ambrosio said the focus was to make it more efficient.

Town Administrator Fournier said with the elimination of the \$600 for Budget Committee Expenses, the increase for Finance would now be 11.86% at \$254,750.

HUMAN RESOURCES

Town Administrator Fournier said the proposed Human Resources budget was an increase of 1.31% to \$1,649,999, but with the change in Healthcare it dropped to \$1,587,099 or a decrease of 2.55%. Chairman Pike said the School had a tough time reviewing some of its HR-related policies, and Town Administrator Fournier said he would be coming up with a master list and would have the Town Attorney review it to make sure Town policies were up-to-date.

BUILDING SAFETY

Town Administrator Fournier said the Building Safety budget increased 9.96% to \$77,777. He said Dues & Subscriptions reflected the Building Inspector's actual training and that the Part-time Salary was his salary. He said the Fulltime Salary was shared with Planning.

TOWN CLERK/TAX COLLECTOR

Town Administrator Fournier said there was an increase in the Town Clerk/Tax Collector budget of 12.62% to \$189,800 due to more elections next year.

WELFARE

Town Administrator Fournier said there was a decrease in Welfare of 12.65% to \$31,080. He said the Town was not cutting services but using the money differently. Vice-Chair Weinstein said though Welfare had been decreasing yearly there was an increase in families requesting assistance at the Food Pantry, and felt perhaps the need was being met elsewhere. Town Administrator Fournier said it was being provided through other non-profit organizations. Vice-Chair Weinstein said she wanted to make sure those organizations were being supported through volunteerism or donations.

ASSESSOR

Town Administrator Fournier said the Assessor budget increased 2.29% to \$71,640, and was just contractual for services and software.

LEGAL

Town Administrator Fournier said the Legal budget had increased 6.25% to \$85,000 and was also contractual. He said the Town had seen a great savings with the retainer of a Town Attorney.

PLANNING

Town Administrator Fournier said Planning increased 3.13% to \$130,170. He said he had taken out Contracted Services but that the money was used for Planning Board research. He said DOT cut their funds, but said there was a huge savings compared to hiring a private contractor. Councilor Finch asked about the Postage line item for \$2,500 when only \$1,037 was spent the previous year. Town Administrator Fournier said it was an estimate and that some came back as revenue.

CONSERVATION COMMISSION

Town Administrator Fournier stated that there was no change to the \$2,000 budget for the Conservation Commission.

ECONOMIC DEVELOPMENT

Town Administrator Fournier said he left Economic Development at \$2,500 and there was no change to their budget. Councilor Thompson asked if it could be reduced as actuals spend in 2017 were only \$1,200. Town Administrator Fournier said that was not their actual cost and said the amount paid to consultants was put in the Town Administrator line and was reflected in that budget. He said this was not going to cover marketing and he would find the money for that in the bottom line.

DEBT SERVICE

Town Administrator Fournier said Debt Service was down 4.15% to \$120,063.

INFORMATION TECHNOLOGY (IT)

Town Administrator Fournier said the IT Budget increased 23.49% to \$211,745 and said it reflected the other portion of the implementation of the new Software System. Vice-Chair Weinstein asked if there were plans for New Equipment/Miscellaneous Equipment as there was no contribution to the IT Capital Reserve Fund. Town Administrator Fournier said he had asked the IT Director to come up with a plan to use the current Capital Reserve Funds of approximately \$35,000.

Vice-Chair Weinstein asked about software replacements. Town Administrator Fournier said everything was going into the Cloud which was web-based and the money was for replacing networks and larger hardware. Chairman Pike asked where the money for the Security System would come from and Town Administrator Fournier said from Dispatch and partially from Technology.

GRANTS

Town Administrator Fournier said the budget for Grants had increased 4.88% to \$64,500. He said the largest increase was \$7,000 for Festival Support to bring back a Newmarket Festival/Home Day. He said Newmarket Senior Citizens had requested no funds this year. He said they made a deal with COAST that if the Town was under a certain amount of money they would only have to commit a maximum of \$21,000.

SOCIAL SERVICE GRANTS

Town Administrator Fournier stated that there was an 18.7% increase in Social Services Grants to \$51,400, and he had reduced the \$58,000 requested. He explained that the increase was due to 3 new agencies: Cross Roads House for the homeless, New Generation Home also for homeless, and One Sky Community Services for the disabled. Chairman Pike felt it was a sort of balance to the drop in Welfare.

Councilor Thompson asked about Rockingham County Nutrition and Town Administrator Fournier said that was for the Meals on Wheels program. Councilor Thompson questioned a few other line items, and asked about the \$10,000 for Lamprey Health Center. Town Administrator Fournier said they provided a service but also got \$80,000 in free taxes, and Councilor Thompson felt the tax breaks were enough. Councilor Kast asked about Area Homeowners which went from zero last year to \$5,000 this year, and Town Administrator Fournier said they missed the submission deadline last year. Vice-Chair Weinstein said she supported Lamprey Health, and Councilor Kast asked for more clarification.

Town Administrator Fournier explained that Lamprey Health Center was a large facility in Town which did not pay property taxes, and he said there were questions about whether or not they were really non-profit under the law. He said the Town was giving them \$80,000 in non-taxes and they asked for \$10,000 in addition. He said he cut it from the budget last year and at the Town Meeting the money was back in as the result of a Petition Warrant Article. Vice-Chair Weinstein said her understanding was that the money went to transportation. Town Administrator Fournier polled the Council and it was agreed to leave the \$10,000 for Lamprey Health Center in the budget.

PUBLIC LIBRARY

Town Administrator Fournier said the Library budget was down 0.56% to \$315,184. He said he did not touch their budget and it automatically went forward as his recommendation. Councilor Kast asked about the interior wall painting and repairs which was in the CIP, and Town Administrator Fournier said the Library was also part of the CIP. Councilor Finch asked about Building Maintenance costs for 2017 of \$105,590. Town Administrator Fournier said they were having issues with their roof and said the Council did not monitor the separate line items of the Library, only the bottom line. He said they also had their own reserves.

Chairman Pike felt since the Council had no authority to change the individual line items it seemed unlikely anything would be done to the budget. Councilor Thompson said the Town made this donation they should have some say over how the money was spent. She said that some funds were not used for the purposes allocated in the past and said the Library needed to be responsible stewards of the funds.

Library Director Carrie Gadbois arrived and Chairman Pike said that one councilor was looking to cut a bit on their grant but not yet to a specific amount. Councilor Thompson explained that when the Town gave a grant like this in good faith that it would be used for the purposes outlined, it was a breach of trust to use the funds for other purposes. Town Administrator Fournier explained that significant pay increases were made last year for Library employees.

Library Director Gadbois said they spent \$5,000 for 4 part-time personnel to raise their salaries closer to surrounding communities. She said the Newmarket Library was run with only 3.2 fulltime equivalents. She said the money in Building Maintenance did not go toward the raises and that the money was already in the Part-time Salaries line item. She said the money moved from Building Maintenance into Salaries was the result of hiring a cleaning person for 15 hours/week, as they no longer contracted that out. She then provided a comparison of fulltime staff equivalents for surrounding communities, and said they could not go lower or a person would be working alone.

Councilor Bowden asked what the difference of \$82,590 spent in 2017 under Building Maintenance was used for. Library Director Gadbois said it was used for the boiler which had failed and was leaking. She said they had the money in their reserve fund but it had to come out of the fiscal year line item with the intent that they would go over at the end of the year. Town Administrator Fournier explained that they had to show it as an expense in the Library budget, but that the decrease to the Library Reserve Fund

did not show here. He said after their grant was drained the remainder would go into the Library Fund Balance.

Finance Director Ambrosio said the Library had \$15,000 in Fund Balance but still owed money to their General Fund because they over-expended. She said there was a transfer of \$63,900 covered by the Trust Funds but they still owed \$21,000 at the end of the year and had plans to repay. Vice-Chair Weinstein said she had noticed an increase in programming last year, and said the Library was a vital part of their Town. Chairman Pike said the Facilities Director had looked over the Library building, and asked the Director if she thought he might be helpful in the future. Library Director Gadbois said she definitely felt he would be a huge help. She said though their major projects were mostly done, the Facilities Director had found small improvements that needed to be made.

Town FY2018/2019 Bottom-Line Budget

Town Administrator Fournier told the Council that while they increased spending by the increased contributions to Capital Reserve Funds, revenues had increased at the same time. He said his total Proposed Budget for FY2018/19 was \$11,859,931 or an increase of 2.98%, and the Council Approved Budget was \$12,042,731 or an increase of 4.57%. He said his Net Town Appropriation was \$4,862,275 and the Council approved a total net appropriation of \$4,795,075 to raise taxes on. He stated that using today's numbers the tax rate would be \$6.39/1,000 or an increase of \$0.26.

Town Administrator Fournier said at the meeting on October 18, 2017 he would ask for an amendment to the budget resolution to change the final numbers. He said the Council would vote up or down and their recommendation would go to the Budget Committee for approval.

ADJOURNMENT

Chairman Pike adjourned the Town Budget Workshop Session at 12:03 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary