

TOWN OF NEWMARKET, NEW HAMPSHIRE

BUDGET COMMITTEE

December 12, 2016 7:00 PM

TOWN HALL AUDITORIUM

PUBLIC HEARING: TOWN PROPOSED FY2018 BUDGET

MEMBERS PRESENT: Chairman David Foltz, Vice Chairman Daniel V. Smith, William "Blue" Foster, Michael "Mickey" Burns, Jeff Raab, Meg Louney-Moore, Dan Hill, Ashley Bowley, Craig Dionne, School Board Rep Mike Kenison, Town Council Rep Toni Weinstein

ALSO PRESENT: Town Administrator Steve Fournier

AGENDA

Chairman Dave Foltz welcomed everyone to the Budget Committee Meeting of December 12, 2016 which would be the Public Hearing for the Town FY2018 Operating Budget. He called the meeting to order at 7:00 pm, which was followed by the Pledge of Allegiance.

OLD BUSINESS

Chairman Foltz stated that they would go over minutes at the next meeting.

NEW BUSINESS

TOWN PROPOSED FY2018 OPERATING BUDGET

Town Administrator Steve Fournier stated that this was the **Public Hearing** for the **Town Proposed FY2018 Operating Budget** for the period ending June 30, 2018. He said he would first review the **Current Tax Rate**, which was \$25.45/1,000, with the Town rate at \$6.24 or approximately 25% of the Total Tax Rate. He said the largest portion was the Local School at \$15.72, with the State School at \$2.40, and the County at \$1.90/1,000. He next provided a **5-Year Comparison**, which showed the Town Rate ranging from \$6.07/1,000 in 2012 and 2013 to \$6.24/1,000 for this current year.

Town Administrator Fournier next addressed the **Assessed Value of the Town**, which was currently \$731,700,728, which meant that for every dollar raised on the Tax Rate, they raised \$731,700,728. He said that in 2013-2014 there was a revaluation of the Town and the first revaluation after the real estate bubble burst in 2008-2010 and market values on property in general dropped significantly. He said it was slowly going back up and they were seeing some increase in property values in the Town.

Town Administrator Fournier stated that the Town Council recommended a **Bottom-Line Budget** with Total Expenditures of \$11,516,798 or an increase of 19.27%. He said the increase was mostly due to the

Enterprise Funds, which were seeing a \$1,210,039 increase due to Bond Payments for both Water, with a new well and other improvements, and for the new Wastewater Treatment Facility. He said the General Fund was seeing an increase of \$255,404, and the Special Revenue Fund, which included Recreation Revolving, Library, and Solid Waste, was seeing an increase of \$55,027. He said **Expenditures by Fund** showed a proposed General Fund Budget of \$7,136,072, which was mainly raised through taxation as well as other revenues. He said the Special Revenue Fund was \$1,060,520 and the Enterprise Fund was \$3,320,206, which was all paid by rate-payers for Water & Sewer. He also provided a **3-Year Comparison by Fund**.

Town Administrator Fournier next reviewed **Where the Increase Was Going**. He said there was a Wastewater Bond Principle Payment of \$516,140 and a Wastewater Bond Interest Payment of \$309,143. He said Wastewater Treatment Facility Electricity was \$31,000, there was a National Pollution Discharge Elimination Permit for a cost of \$100,000, and a Water System Bond Principle Payment of \$100,104 with a Water Bond Interest Payment of \$76,130. He said all of these were funded through rates and not taxes. He stated that there was a 10% Health Insurance Increase of \$74,351, a Retirement Contribution Increase of \$14,582, and an increase in Part-Time Fire-Fighter Salaries of \$14,582 which reflected actual costs they already had plus increases in weekend salaries. He said there was also a Contribution to Compensated Absences Reserve increase of \$15,000, \$54,000 for the Implementation of a New Financial Software System, and \$64,731 for a new Director of Facilities position. He said the plan for the new Director of Facilities position was to have 60% offset by revenue from the School as this would be a shared position.

Town Administrator Fournier next reviewed the **Revenue Budget** which was estimated to be \$7,072,204, an increase over the previous year. He said that by law the Town Council must set a **Default Budget** which was set at \$12,183,370 or \$666,572 higher than the budget proposed. He said to determine the Default Budget you took the previous year's budget, subtracted any 1-time expenditures, and added contractual obligations.

Town Administrator Fournier cautioned that the next slide was only an estimate using data as they had today. He said to determine the **Tax Impact** if the budget passed as proposed, you take the Gross Appropriation of \$11,516,798, subtract Revenues of \$7,072,204, add an additional \$20,000 for Overlay and \$162,500 for War Service Credits, which gave a the Net Town Appropriation of \$4,627,094, multiplied by the Assessed Value of \$731,700,725 and divided by 1,000 to get \$6.32/1,000 or 8 cents over the previous year. He said the current Town portion of the tax bill was \$1,747 annually, and that \$1,770 annually was proposed with no other changes. He said the Town would see a tax bill increase of 1.28% or \$23/annually.

PUBIC COMMENT

Chairman Foltz opened Public Comment at 7:09 pm.

As no one from the Public came forward, Public Comment was closed at 7:10 pm.

Approval of the Town FY2018 Operating Budget

Councilor Weinstein made a motion to approve the Town FY2018 Operating Budget in the amount of \$11,516,798, which was seconded by Ms. Louney-Moore.

Chairman Foltz polled the Committee and the motion to approve the Town FY2018 Operating Budget was approved unanimously. He said this was also the Budget Committee recommendation.

OTHER BUSINESS

Next Meeting: The Budget Committee will hold the 2nd School Workshop Session to review the School FY2018 Warrant Articles on December 19, 2016 at 8:00 pm, due to a holiday concert at the Elementary School.

Chairman Foltz said he had spoken with Superintendent Nadeau and there would only be one other Warrant Article in addition to the Operating Budget, which was for Facilities, and said the numbers had already gone down another \$400,000 from the last figure. He asked that the Committee bring questions ahead of time.

Adjournment

Mr. Hill made a motion to adjourn the meeting which was seconded by Mr. Dionne. The Committee approved the motion unanimously, and the meeting was adjourned at 7:12 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary