

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

JANUARY 14, 2019 7:00 PM

TOWN HALL AUDITORIUM

SCHOOL DISTRICT BUDGET PUBLIC HEARING

Approved March 25, 2019

MEMBERS PRESENT: Chairman Daniel V. Smith, Vice Chairman Jeff Raab, William “Blue” Foster, Dave Foltz, Michael “Mickey” Burns, Trevor MacDonald, Robert Ortins, Town Council Rep Zachary Dumont, School Board Rep Elizabeth McKinney

EXCUSED: Ashley Bowley

ALSO PRESENT: Superintendent Meredith Nadeau, Business Administrator Lisa Ambrosio, School Board Chairman Kimberly Shelton

AGENDA

Chairman Dan Smith welcomed everyone to the January 14, 2019 Newmarket Municipal Budget Committee Meeting and called the meeting to order at 7:02 pm, followed by the Pledge of Allegiance. He said Ashley Bowley was unable to attend tonight’s meeting.

Chairman Smith said they were here to hold a Public Hearing on the School Operating Budget for FY2019/2020, and said they still had drafts not approved by the School Board. He said statutorily, they would have to have voted on all Warrant Articles by January 24, 2019, and they would have to schedule a meeting for some time next week.

OLD BUSINESS

Approval of the Minutes of the Budget Committee Meeting of December 17, 2018

Mr. Burns made a motion to approve the minutes of the Budget Committee Meeting of December 17, 2018, which was seconded by Mr. MacDonald.

Mr. Ortins made a correction on page 2, second paragraph, to correct the wording around the \$1.63 tax impact of the FY2020 Town Operating Budget.

Chairman Smith polled the Committee and the minutes were approved as amended by a vote of 8-0, with 1 abstention.

NEW BUSINESS

Superintendent Meredith Nadeau said the School District **General Fund FY2020 Budget**, exclusive of Food Service and Grants and with no tax impact, was \$380,846, an increase of 1.91% over the prior fiscal year and did not include the Teachers Contract. She said the 1.91% represented a \$0.43/\$1,000 valuation which was \$120.40/\$280,000 average home.

School District FY2020 Default Budget

Superintendent Nadeau said as far as the FY2020 Default Budget, there were legislative changes to default budget calculations particularly in the area of contractual agreements, and only contracts already approved by voters could be included. She said this year's default did not include technology replacement equipment, roof repairs, the SRO position, a partial-year custodian, Food Service benefits costs, salary increases for administration and support staff, and transportation cost increases. She said the Default Budget for FY2020 of \$20,055,627 was lower than the proposed Operating Budget with a tax increase of \$0.13/\$1,000 valuation, an increase of \$36.40/\$280,000 average home, and an increase over the previous year of \$157,147 or 0.79%.

School District Collective Bargaining Agreement (CBA) – Warrant Article 03

Superintendent Nadeau said the School District CBA was a 3-year agreement which included 4% increases to the base salary for each of the 3 years. She said it included a move to consumer-driven Health Care plans which would provide \$200,000 in savings per year, distributed the first year to employees and the 2nd and 3rd years to the District. She said the anticipated benefits would be to help attract and retain employees, bring Newmarket closer to the State and Regional median, reduce current and future health care costs, and provide the ability to move to an hours-based school calendar.

Superintendent Nadeau presented graphs for starting teachers' salaries in the area for 2017/2018 which showed Newmarket below the State average and number 23 out of 29 districts. She said the proposed contract would bring Newmarket closer to the median and eventually above the State average. She said this was important because 42% of the Town's teachers had turned over in the last 5 years, and Newmarket had essentially become a training ground for new teachers. She said this resulted in increased costs for training, additional administrative time for supervising and evaluations, and impacted their program and continuity of curriculum.

Superintendent Nadeau said the proposed Collective Bargaining Agreement for FY2019-2022 would result in new costs in year 1 of \$479,388, \$451,210 for year 2, and \$469,094 for year 3. She said the tax impact in year 1 would be \$0.63/\$1,000 valuation and \$176.40/\$280,000 average home.

Discussion: Mr. Foster asked if the first chart took into account the current CBAs in the District, and Superintendent Nadeau said it did not show other increases or whether it was in a contract year. Chairman Smith asked if there was a sense of what the annual percentage looked like State-wide, and Superintendent Nadeau said it was in the 2.25% to 4% range. Ms. McKinney asked about classes taken by teachers while they were in the district, and Superintendent Nadeau said teachers were required to reimburse the school if they left within 2 years of taking the classes.

Chairman Smith asked how the 42% teacher turnover in Newmarket compare with other districts in the area, and Superintendent Nadeau said they did not tend to see that level of turnover on an annual basis in a district of this size. Chairman Smith asked how they would differentiate between whether it was working or not working. Superintendent Nadeau said most districts looked at those numbers being closer to the 20% range. Mr. Foster asked the average length of tenure for teachers, and Superintendent Nadeau said the State required 5 years to reach tenure, or 3 years for a teacher already tenured in other districts. She said she felt the facilities issue in Newmarket also impacted teacher turnover significantly.

Chairman Smith asked in what form the employees would be receiving the approximate \$200,000 in Health Care savings in the first year. Superintendent Nadeau said it would be spread across the contract in the first year as added compensation, and for years 2 and 3 it would come off the bottom line of the Operating Budget. Mr. Raab asked why the insurance savings was not part of the language of the Warrant Article, and Superintendent Nadeau said it could be as the Board had not yet approved the Warrant Article. Mr. Foltz said with regard to year 1 of the CBA contract, the School Facility project should be completed by the end of 2020, and asked if there might be any changes to the numbers with additional headcounts. Superintendent Nadeau said that was not what was anticipated.

PUBIC COMMENT: School District FY2020 Budget Public Hearing

Chairman Smith opened the floor to public comment at 7:33 pm.

As no one from the public came forward, Chairman Smith closed public comment at 7:33 pm.

COMMENTS

Chairman Smith said overall they had done a good job of putting the School Budget together, balancing wants and needs with funding available. He said in conversations with people since, he was bothered that the School was not tapping the Technology Trust Fund for the \$50,000 placement of the Ethernet switches. Superintendent Nadeau said the fund currently had a balance of \$117,000 and they were slated to withdraw \$100,000 this year for technology equipment.

Mr. Burns said he felt this would be a tough vote for the Town because of the mechanisms around the Default Budget. He said he was in favor of the CBA and felt it was important to validate the work of teachers, but felt it was important that the public realize the Default Budget was the result of mechanisms being put on the Town. School Board Chairman Kimberly Shelton said it was a paradigm shift that had drastic implications, and said they were working to get the message out to make sure everyone understood the potential consequences of the budget being approved or not.

Mr. Burns made a motion to recommend the School District FY2019/2020 Operating Budget of \$21,009,877, which was seconded by Mr. Ortins.

Chairman Smith polled the Budget Committee and the motion to approve the School District FY2019/2020 Operating Budget of \$21,009,877 was approved and recommended by a vote of 9-0.

OTHER BUSINESS

Budget Committee – School Budget Public Hearing
January 14, 2019

Chairman Smith said they needed to decide when to meet the following week to vote on the Town's Warrant Articles. Business Administrator Lisa Ambrosio asked if they were going to vote on the Teacher Collective Bargaining Agreement and Chairman Smith said it was not yet approved by the School Board. Superintendent Nadeau said it was approved by the School Board and the teachers, but the Warrant Article had not yet been approved. Chairman Smith said he preferred to wait for the final wording. He suggested the Committee meet next Wednesday, January 23rd, after the Town Council meeting and the Public Hearing on the Town Warrants.

School Board Chairman Shelton asked if the Budget Committee could vote on the School Teachers CBA Warrant Article at the same time as the Town Warrants. Business Administrator Ambrosio said the meeting would have to be noticed 7 days in advance, and Chairman Smith said they would need to do that by tomorrow.

NEXT MEETING: The next Budget Committee Meeting was scheduled for January 23, 2019 at 7:30 pm in the Town Council Chambers.

ADJOURNMENT

Mr. Burns made a motion to adjourn the meeting which was seconded by Councilor Dumont.

The motion to adjourn was approved unanimously by a vote of 9-0, and the meeting was adjourned at 7:57 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary