

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

OCTOBER 25, 2021 6:30 PM

TOWN HALL AUDITORIUM

Approved November 29, 2021

MEMBERS PRESENT: Chairman Joe Lamattina, Vice-Chairman Michael LaBranche, Brian Hickey, Roger Cady, Ned Carpenter, Richard Lesavoy, School Board Rep Gary Swanson, Town Council Rep Brian Ward, Eric Wigode; Christopher Wolfe arrived late

ALSO PRESENT: Town Finance Director Bill Tappen, Jason Sank

AGENDA

Chairman Lamattina welcomed everyone to the Newmarket Budget Committee Meeting of October 25, 2021 and called the meeting to order at 6:30 pm, followed by the Pledge of Allegiance.

NOMINATION – Jason Sank – Open Position on Budget Committee

Chairman Lamattina introduced Mr. Jason Sank as a new member of the Budget Committee.

Jason Sank said he moved here from Illinois in 2017 where he worked as a housing supervisor in Bloomington, IL. He currently works out of Dover with Community Partners.

Vice-Chair LaBranche made a motion to approve Jason Sank as a member of the Newmarket Budget Committee for the period ending April 2022; seconded by Councilor Ward; Motion approved by a vote of 9-0.

Mr. Wolfe arrived at the meeting at 6:33 pm.

PUBLIC COMMENT – None

NEW BUSINESS

Town Financial Review – September 2021

Finance Director Bill Tappen said Revenues for this period came in at \$14,924,402 with 75% collected versus prior year at \$13,592,190.88 for 72% for a difference of \$1.3 Mil; Enterprise Special Revenues Fund Expenses at 32% versus 35% prior year spent or 3% better; General Fund Expenses 31% versus 34% prior year.

Highlights: Information Technology (IT) spending slightly higher than anticipated partly due to PC failures/replacements in Fire/Police; Code Enforcement higher than prior year due to departure of Mike Hoffman, temporarily replaced with contractor; Insurance P & L Expenses lower than anticipated due to pandemic. Mr. Tappen said it was generally a typical year with expenses, but we are only at period 3.

Chairman Lamattina asked if the PC failures came out of Capital Reserves; Mr. Tappen said the expenses were paid out of the IT Budget General Fund new equipment line. He said they put in \$14,000 last year with upcoming changes for networking, PC upgrades, and server due to recurring port failures; replacements to update system will continue to ensure port security; added VPN technology and will add another firewall to protect water and sewer. Mr. Cady asked what causes the negative number on the Revenue Report under Charges for Services, and Mr. Tappen said that was an error.

Town Grant Information Update

Chairman Lamattina said he forwarded the motion regarding Grant Applications to the Town Manager, and he responded he has no problem with the Finance Director sharing the information and will leave it to the discretion of the Finance Director, unless there is a special request from the Budget Committee. Mr. Tappen cautioned that uses for GOFFER and FEMA funds are highly restricted, and said they also got a first round of an ARPA grant with Town Council deciding on how to spend it.

Calendar Review

Chairman Lamattina said the Budget Committee will have the Town Budget on or before November 15, 2021; Town Manager to go over FY2023 Budget at November 29th meeting; email questions regarding the Budget will be forwarded to the Town Manager before the meeting. Tentative Public Hearing for the Town is Monday, January 3, 2022; Deliberative scheduled for Saturday, February 5, 2022.

CIP Committee Status

Mr. Cady said the CIP process is for the committee to hear requests from Department Heads for capital acquisitions, with departments forecasting needs over 6 years in terms of capital monies. Capital acquisitions are historically funded out of Capital Reserves, with contributions budgeted yearly and typically underfunded. He said the Town is now moving to lease/purchases of equipment requiring non-appropriation clauses.

Mr. Cady said the CIP process is to evaluate each request, prioritize them, and forward to Town Council as advice/recommendation. With the Town using leasing, the Fire Department request for \$48,000/year for a pumper is really the lease payment acquired in 2021 as a Capital Expenditure and not really a request for Reserve Fund contributions. The CIP recommended \$68,000 which is the sum of \$48,000 for the vehicle plus \$20,000 to the Capital Reserve Fund (CRF) for breathing apparatus.

Mr. Cady said the Town Manager Budget put \$50,000 in the FDCRF, same number over the years independent of what has been requested, but this year the Fire Department will spend \$48,000 on the lease leaving only \$2,000 in the CRF, and the Town is in a position where they are not properly funding capital items. In 2025-2026 the Fire Department is also looking at \$49,000 more for an anticipated lease of a tanker.

Mr. Wolfe said years ago as a firefighter the typical lifecycle of a truck was 20 years, and said we are essentially spending the entire value of the truck on a 10-year lease. Mr. Cady said at the end of the lease the Town will own the truck but will be faced with much higher capital costs. He said in the CIP review of the Town Hall there are \$400,000-\$500,000 in various projects and Capital Reserve funds are not there.

Mr. Lesavoy asked what power the Budget Committee has to alter the process. Chairman Lamattina said they can only propose a bottom-line budget and make suggestions to the Town Manager.

Mr. Cady said the Committee can make noise about this and generate a recommendation to the Town Manager to change the process or limit leasing. He said the Town Council made no comments in their review of the Fire Department Budget on Saturday, and said he is not sure the Council realizes that of the \$50,000 contribution \$48,000 is already committed. Councilor Ward felt it best for Mr. Cady to come to the Town Council to explain it.

Mr. Cady said if the Town funds major equipment acquisitions in Fire, Police, and Public Works by lease payments and does not regulate it we are getting into a forced situation. Mr. Wigode suggested making this part of their discussion with the Town Manager on November 29th, but Chairman Lamattina said by that time the Town Council has already approved the Budget.

Vice-Chair LaBranche asked about the pumper and Mr. Cady said it is either here or on order. Vice-Chair LaBranche said his concern is also adding another \$49,000 in FY2025/2026, and 4 years later starting to replace L2 at \$800,000, now with 3 payments in one year. Mr. Cady said they have to start putting more money in Capital Reserves. Mr. Carpenter asked Mr. Cady if he came across this in other areas, and Mr. Cady said it will be seen in Public Works. Mr. Swanson said that is in the General Fund, and Mr. Cady said it is in the General Fund because they revolve it every year.

Councilor Ward asked Mr. Cady to come to the Town Council as a guest speaker to explain this situation at the next meeting, November 3, 2021 at 7:00 pm and said he would check with the Town Manager.

APPROVAL OF MINUTES

Approval of Minutes of September 27, 2021

Mr. Cady made a motion to approve the minutes of September 27, 2021; seconded by Mr. Carpenter; Motion approved by a vote of 10-0.

ANY OTHER BUSINESS

Chairman Lamattina stated that everyone is invited to an All-Boards Forum on Zoom, November 4, 2021 at 4:30 pm, re Climate Change. He said he would like the Budget Committee to go on record as being in support of it.

Vice-Chair LaBranche thanked Mr. Cady for his work with CIP.

Next Meeting: November 29, 2021 at 6:30 pm.

ADJOURNMENT

Councilor Ward made a motion to adjourn the meeting; seconded by Mr. Cady; all in favor.

Chairman Lamattina adjourned the meeting at 7:32 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary