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4 **TOWN OF NEWMARKET, NEW HAMPSHIRE**
5 **MUNICIPAL BUDGET COMMITTEE PUBLIC HEARING**

6 **JANUARY 10, 2022 6:30 PM**

7 **TOWN HALL AUDITORIUM**

8 **MINUTES**

9 ***Approved March 28, 2022***

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11 MEMBERS PRESENT: Chairman Joe Lamattina, Vice-Chairman Michael LaBranche, Richard Lesavoy, Roger
12 Cady, Christopher Wolfe, Town Council Rep Brian Ward
13

14 REMOTE: Ned Carpenter, Brian Hickey, Jason Sank, School Board Rep Gary Swanson
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16 ALSO PRESENT: School Superintendent Dr. Susan Givens, School Finance Director/Business Administrator
17 Janna Mellon, Town Manager Steve Fournier, Finance Director Bill Tappen, Council Chairman Toni
18 Weinstein

19 **AGENDA**
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21 Chairman Lamattina welcomed everyone to the Newmarket Budget Committee Public Hearing of January
22 10, 2022 and called the meeting to order at 6:30 pm.
23

24 *Chairman Lamattina said masks must be worn at all times during the meeting; 4 members requested to*
25 *attend the meeting remotely due to CDC guidelines for COVID-19 and other health issues. All votes related*
26 *to appropriations will be by roll call vote.*
27

28 **Roll Call to allow remote participation of Ned Carpenter, Brian Hickey, Jason Swank and Gary Swanson:**
29 Roger Cady-aye, Michael LaBranche-aye, Richard Lesavoy-aye, Brian Ward-aye, Christopher Wolfe-aye,
30 Joe Lamattina-aye; approved 6-0

31 **Roll Call of remote members:** Ned Carpenter-present/alone, Brian Hickey-present/alone, Jason Sank
32 present/alone, Gary Swanson-present/alone
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34 Pledge of Allegiance.
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36 **PUBLIC HEARING: SCHOOL PROPOSED FY2022-2023 BUDGET/WARRANT ARTICLES:**

37 Chairman Lamattina opened the Public Hearing for the School Proposed FY2022-2023 Budget & Warrant
38 Articles at 6:34 pm. As there were no public comments Chairman Lamattina closed the Public Hearing at
39 6:34 pm.
40

41 Chairman Lamattina said they will read the article, make a motion to accept and open for discussion; if a
42 Budget Committee Member would like to amend the article they can make a motion to amend but cannot
43 change the language or dollar amount of a line item, they can only amend the bottom line. A second of

the motion to amend will be needed and then discuss the amended article, then make a motion to vote to recommend or not recommend followed by roll call vote.

Warrant Article 2: School Proposed FY2022-2023 Budget: Shall the Newmarket School District raise and appropriate as an Operating Budget, not including appropriations by specific Warrant, the amount set forth on the Budget posted \$25,233,982; if defeated the Default Budget shall be \$24,756,159, same as last year with required adjustments; majority vote required; recommended by the School Board 5-0.

Total Operating Budget will be offset by estimated Federal Grant resources of \$70,000 and an estimated \$402,034 for 02034 in local/State/Federal Child Nutrition Revenue leaving a net Budget of \$24,131,948; amount of \$1,102,034 will not be raised by taxes; estimated tax increase \$1.72 over previous year School Tax Rate of \$19.60 with new estimated rate of \$21.32. If defeated, estimated that this article will result in an increase of \$1.25 over prior year rate resulting in estimated tax rate of \$20.85.

Motion: As there was no discussion, Chairman Lamattina made a motion for the Budget Committee to approve Article 2: School Proposed FY2022-2023 Budget, seconded by Mr. Cady.

Roll Call Vote: Roger Cady-aye, Ned Carpenter-aye, Brian Hickey-aye, Michael LaBranche-aye, Richard Lesavoy-aye, Jason Sank-aye, Christopher Wolfe-aye, Gary Swanson-aye, Brian Ward-aye, Joe Lamattina-aye; Budget Committee approved School Warrant Article 2 by a vote of 10-0 to recommend.

Warrant Article 3: School CBA Agreement: Approve cost items provided in Collective Bargaining Agreement (CBA) between Newmarket School Board and Newmarket Teachers Association calling for the following increases in Salaries/Benefits at current staffing level; FY2022-2023 estimated increase of \$437,927; for 2023/2024 estimated increase of \$446,488; 2024-2025 estimated increase of \$447,515. Further, to raise and appropriate sum of \$437,927 for upcoming year; recommended by the School Board 5-0. Estimated tax impact of Warrant Article 3 is \$0.44 in addition to previous warrant impact.

Discussion: Mr. Cady asked Dr. Givens for the overall increase in percent. Dr. Givens said it includes 3% COLA in each of the years and expands teacher work time by 1%.

Motion: Chairman Lamattina made a motion to approve Warrant Article 3 as read, seconded by Vice-Chair LaBranche.

Roll Call Vote: Roger Cady-aye, Ned Carpenter-aye, Brian Hickey-aye, Michael LaBranche-aye, Richard Lesavoy-aye, Jason Sank-aye, Christopher Wolfe-aye, Gary Swanson-aye, Brian Ward-aye, Joe Lamattina-aye; Budget Committee approved School Warrant Article 3 by a vote of 10-0 to recommend.

Warrant Article 4: If Warrant Article 3 is defeated the governing body is authorized to call one (1) special meeting to address Article 3 cost items only; majority vote required; Budget Committee does not have to vote on this article.

Warrant Article 5: Elementary School Playground: To Raise and appropriate sum of \$50,000 to be added to Repair & Maintenance of School Facilities Expendable Trust Fund to support the Elementary School Playground renovation project. Sum to come from June 30, 2022 Fund Balance available for transfer on July 1, 2022; no amount to be raised from taxation; majority vote required; School Board recommends 5-0.

Discussion: Mr. Cady said this assumes there will be Fund Balance available; Dr. Givens said if no Fund Balance this Warrant will have no effect.

Motion: Chairman Lamattina made a motion to approve Warrant Article 5: Elementary School Playground as read, seconded by Councilor Ward.

Roll Call Vote: Roger Cady-aye, Ned Carpenter-aye, Brian Hickey-aye, Michael LaBranche-aye, Richard Lesavoy-aye, Jason Sank-aye, Christopher Wolfe-aye, Gary Swanson-aye, Brian Ward-aye, Joe Lamattina-aye; Budget Committee approved School Warrant Article 5 by a vote of 10-0 to recommend.

Town Manager Fournier said procedurally the Budget Committee should open a Public Hearing on the FY2023 Budget then close it to public comment, which has to be in the record.

PUBLIC HEARING: TOWN PROPOSED FY2022-2023 BUDGET/WARRANT ARTICLES:

Warrant Article 2: Town Proposed FY2022-2023 Operating Budget: Shall the Town of Newmarket vote to raise and appropriate, as FY2022-2023 Operating Budget, the sum of \$15,165,541; if defeated the Default Budget will be \$14,662,653, same as last year with required adjustments; Town may hold one (1) special meeting to take up issue of a revised Operating Budget only; passage of the article will amount to \$6.49 of Tax Rate, an increase of \$0.03 over previous year; if defeated Default will amount to \$5.56 of the tax rate; recommended by the Town Council 7-0.

Chairman Lamattina opened the Public Hearing for the Town Proposed FY2022-2023 Budget & Warrant Articles at 6:55 pm. As there were no public comments Chairman Lamattina closed the Public Hearing at 6:55 pm.

Motion: Mr. Lesavoy made a motion to amend the article by increasing the Fire Department Capital Reserve Contribution from \$50,000 to \$102,300 for this fiscal year (increase of \$52,300); seconded by Mr. Cady.

Discussion: Mr. Cady said this would increase the total Budget from \$15,165,541 to \$15,217,841. Mr. Lesavoy explained that during the CIP presentation and process we recognized some aspects to Capital process proposed that the strategy was to lease new vehicles over a 10-year time frame, and looking forward would see some significant increases in potential Capital Reserve requirements, by not really increasing Capital Reserves, but basically just covering the lease costs. He said he calculated this out for the Fire Department by level-funding over a 10-year period which would increase this year's Capital Reserve contribution to avoid significant fiscal impact in 2025-2026.

Chairman Lamattina said the Budget Committee cannot force the Town to spend the amount in this manner, and could use the money somewhere else. Town Manager Fournier said usually we get a communication before a meeting. Vice-Chair LaBranche said he supports what they are attempting to do but finds it difficult to support understanding it will be up to the Town where to use the money. Mr. Cady said he supports this and realizes the funds cannot be directed, but this is the only time the Budget Committee can influence the Budget.

Chairman Lamattina asked which number will go to the February 5th Deliberative, and Town Manager Fournier said your number would be voted on but the Town Council Budget will also be included. He said procedurally you can amend the Budget tonight or at the Deliberative Session so the public knows why it is being done. Concern is if you see two (2) bodies not agreeing on a number people tend to vote in the negative. Council Chairman Toni Weinstein said in years past when changes are made at Deliberative the Council has re-voted so there will not be 2 different numbers on the Ballot in theory.

Mr. Lesavoy thought the Committee should vote on his motion and said it is our job to make a recommendation. Mr. Swanson asked the Town Manager they would still have the opportunity at Deliberative to explain to the public if the amendment is approved tonight; Town Manager Fournier said absolutely and can also amend it more; the Budget Committee is in charge of the bottom line of the Budget. Councilor Ward suggested it would be better to wait until Deliberative to allow public input. Chairman Lamattina said he would like to decide one way or the other tonight.

Mr. Wolfe said he agrees with the amendment and the purpose for it and would hope the Town would understand the purpose of the additional \$52,000 and apply it in that way. Town Manager Fournier said he only knows where it is going but not the rationale behind it, and said we have not seen that communication.

Mr. Wolfe said this body has a responsibility to agree on a final Budget and has spent a fair amount of time discussing the issues of how the Capital budget is handled, and it appears to be handled more as a funding plan for lease payments than as a Capital Reserve Fund. He said from a Budget perspective it is an excellent proposal and why he would support it.

Roll Call Vote on Amended Budget: Roger Cady-aye, Ned Carpenter-aye, Brian Hickey-aye, Richard Lesavoy-aye, Jason Sank-aye, Gary Swanson-aye, Christopher Wolfe-aye, Joe Lamattina-aye; Michael LaBranche-nay, Brian Ward-nay; motion passes by a vote of 8-2 to recommend.

Town Manager Fournier said that vote was to approve the amendment to the Budget, now the Budget Committee has to vote to approve the bottom line.

Motion: Chairman Lamattina made a motion to approve/recommend the amended Town Budget of \$15,217,841; seconded by Mr. Swanson.

Roll Call Vote: Roger Cady-aye, Ned Carpenter-aye, Brian Hickey-aye, Richard Lesavoy-aye, Jason Sank-aye, Gary Swanson-aye, Christopher Wolfe-aye, Joe Lamattina-aye; Michael LaBranche-nay, Brian Ward-nay; motion passes by a vote of 8-2 to recommend.

Warrant Article 3: To see if the Town will vote to raise and appropriate the sum of \$75,000 for conducting a sludge thickening and carbon upgrade survey that will qualify the Town for Federal and State funds, such sum to be raised by issuance of Serial Bonds and Notes not to exceed \$75,000, and authorize the Town to issue and negotiate such bonds or notes to determine rate of interest; additionally to authorize the Town to apply for and accept grants or other funds that may reduce the amount to be repaid and participate in State Revolving Fund (SRF); anticipated the Town will receive up to \$75,000 in principal forgiveness with no impact on sewer rate or tax rate; 2/3 vote required.

Town Manager Fournier said the Budget Committee needs to make a recommendation since we are raising money, given zero impact.

Motion: Chairman Lamattina made a motion for the Budget Committee to recommend Article 3; seconded by Mr. Cady.

Roll Call Vote: Roger Cady-aye, Ned Carpenter-aye, Brian Hickey-aye, Richard Lesavoy-aye, Jason Sank-aye, Gary Swanson-aye, Christopher Wolfe-aye, Joe Lamattina-aye, Michael LaBranche-aye, Brian Ward-aye; motion passes by a vote of 10-0 to recommend.

MEETING MINUTES APPROVAL

Approval of the Meeting Minutes of December 6, 2021

Chairman Lamattina made a correction to the last page, line 189.

Motion: Vice-Chair LaBranche made a motion to approve the Meeting Minutes of December 6, 2021 as corrected; seconded by Mr. Wolfe; vote 10-0 all in favor.

Approval of the Meeting Minutes of December 27, 2021

Motion: Chairman Lamattina made a motion to approve the Meeting Minutes of December 27, 2021; seconded by Mr. Wolfe; vote 9-0 with 1 abstention.

Chairman Lamattina made 2 changes to the December 27th minutes on page 2, line 73.

Motion: Mr. Cady made a motion to approve the Meeting Minutes of December 27, 2021 with proposed changes; seconded by Councilor Ward; vote 10-0 all in favor.

ANY OTHER BUSINESS

Chairman Lamattina apologized to Town Manager Steve Fournier for not getting the communication regarding the proposed amendment to him in a timely manner.

Letter to Town Council: Chairman Lamattina asked if there were any changes or corrections to the letter to send to the Town Council. In summary, the letter states as follows:

The Budget Committee has voted to increase the bottom line of the FY2023 Budget by \$52,300 with reason explained below. As part of the Budget Preparation, the Capital Improvement Program (CIP) process submitted a recommendation in forward-looking projections for Capital Reserve Contributions, excluding Water/Sewer and School, of \$1,349,275. The Town Manager and Town Council proposed contributions to Capital Reserves of \$519,100; most significant revision in proposed funding was in the Building Improvement Capital Reserve Account.

The Budget Committee has discussed and considered the proposed process for leasing a vehicle, specifically by the Fire Department, with a 10-year lease containing a non-appropriation clause on return of the vehicle if funding ceases; but in all practicality the leases create an ongoing and annual obligation. The contribution to Fire Department Capital Reserve is \$50,000 with \$48,000 already allocated for equipment lease, essentially negating any increase in existing Capital Reserves account. The Committee sees potential issues in future years where an additional lease more than doubles the annual obligation.

One consideration would be to increase current Capital Reserve contributions with the goal of at least leveling out the anticipated lease expenditures over a 10-year period. Projected CIP costs for various Fire Department vehicles over this period are shown below to be \$1,023,000. The Budget Committee feels a 10-year leveling approach would help smooth the budget variations over the next few years, and therefore: the Budget Committee recommends to Town Council to increase the Fire Department Capital Reserve contribution from \$50,000 to \$102,300, and further recommends the Town Manager and Town Council use a 10-year leveling approach to fund all department anticipated Capital lease requirements in future years starting with the FY2024 Budget.

Chairman Lamattina asked the Committee if they approve sending the letter as written. Mr. Cady corrected the fiscal year to FY2023. Vice-Chair Lamattina said he supports the intent, but not sending money to a Budget without being able to specify where it should go. The Committee discussed the issue and agreed by consensus to sent the letter.

Chairman Lamattina said he would also draft a letter regarding Town oversight of the Library. Mr. Wolfe said the State has a completely different set of laws for libraries. Councilor Ward said he did not see the

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239 need as library requests have to go through the Town Council. Mr. Swanson said they needed to talk with
240 the Town Manager to get a better understanding and Committee members agreed. Chairman Lamattina
241 said he would write the letter for discussion at the next meeting.

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243 **Calendar:** Mr. Cady questioned the need for a meeting on January 31, 2022. After discussion, the
244 Committee agreed to cancel that meeting.

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246 **Next Meeting:** February 5, 2022 Deliberative Session.

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248 **ADJOURNMENT**

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250 Mr. Cady made a motion to adjourn, seconded by Vice-Chair LaBranche, all in favor.

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252 Chairman Lamattina adjourned the meeting at 7:46 pm.

253 Respectfully Submitted,

254 Patricia Denmark, Recording Secretary