



TOWN OF **NEWMARKET** NEW HAMPSHIRE

TOWN OF NEWMARKET, NEW HAMPSHIRE MUNICIPAL BUDGET COMMITTEE MEETING

SEPTEMBER 26, 2022 6:30 PM

TOWN HALL AUDITORIUM

Approved October 24, 2022

MEMBERS PRESENT: Chairman Michael LaBranche, Roger Cady, Ned Carpenter, Danielle Honan, Richard Lesavoy, School Board Rep Dan Smith; Town Council Rep Brian Ward

EXCUSED: Vice-Chairman Christopher Wolfe, Brian Hickey

ALSO PRESENT: School Business Administrator Janna Mellon

Chairman Michael LaBranche welcomed everyone to the September 26, 2022 Municipal Budget Committee Meeting and called the meeting to order at 6:30 pm followed by the Pledge of Allegiance.

PUBLIC FORUM

No Public Comments.

NEW BUSINESS

Financial Report from the School

School Business Administrator Janna Mellon reviewed the closing financial report for the School year and said expenditures from the General Fund are still affected by Covid with certain expenditures incurred and other planned expenditures delayed; revenues were also impacted but School was able to take advantage of some unanticipated funding from FEMA. A large portion of the unexpended budget comes from Salaries & Benefits which shows a negative number on the operations side. Due to hiring challenges, outside professional services helped cover employment gaps.

Business Administrator Mellon said there are also unexpended FY2021 purchase order encumbrances and the Board will be asked to encumber those funds to allow payment to be made next year. If funds not used for same purpose, they will be returned to Fund Balance; \$21,500 of that amount was unexpended because some projects came in lower than anticipated. In summary a total of \$604,132 of appropriated expenditures budget is remaining which becomes part of unrestricted fund balance; higher than expected by \$245,000 due to Food Service variances which will be offset by reimbursement from USDA for every meal served.

Business Administrator Mellon stated that accounting adjustments are made each year by auditors to align all our funds, with the largest component consisting of unexpended amounts in the General Fund: Salaries & Benefits \$62,000, Operations was overspent due to money shifted from salaries. This left an unexpended balance of \$716,000 with excess revenues of \$648,000. From those two amounts are deducted unencumbered purchase orders, auditing adjustments to committed fund balance, and changes to assigned fund balance for total Unassigned Fund Balance, before the amount retained by the School as a contingency fund (up to 5%) is deducted. This year the School opted to retain 2.5%, leaving an Unassigned Fund Balance of \$1,096,700 to go back to the taxpayers to offset the tax rate.

Business Administrator Mellon said the Food Service Fund is operated with a deficit each year as expenditures often outweigh what is budgeted; closed last year with \$131,000 to the positive due to 2 Federal Waivers; any amount retained has to stay in Food Service. She said due to FEMA project DR-4516 the School was able to bring in \$386,203 last year before the close of FY2021, and some funds will also come in this year.

Business Administrator Mellon said in April House Bill 17 was passed by the legislature for a one-time 7.5% contribution from the State to districts and towns to offset New Hampshire Retirement expenses; money can only be put towards tax relief and not budgeted. NH Retirement sets rates for a 2-year period; teacher and employee contributions were reduced for the first time: teacher contributions 19.64%, employees 13.53%, with deduction from payroll remaining at 7.4%. School has applied for additional grant funding: School Energy Efficiency Development Grant (max award \$150,000), and the School District applied for 4 different projects under NH SAFE Grants from Homeland Security & Emergency Management with School already approved for 2 projects to help with security enhancements.

Business Administrator Mellon said the School is unable to fill custodial and facility tech roles and moved to custodial model of training current employees to be facility technicians, hoping to insource in future. She said the School has a Preventative Maintenance Agreement for HVAC, has a plumber on-call, and an electrician to help with training staff to be proactive. Mr. Cady asked about the impact of the voucher program. Business Administrator Mellon said the State argues that money is not really being taken from schools as children who were being homeschooled were not included in Adequacy Aid numbers, but it is money that would normally have come to the School.

Business Administrator Mellon asked about the schedule for the School Public Hearing now set for December 26th and asked if it could be moved; the School Budget will be presented to the Budget Committee December 5, 2022. Chairman LaBranche said he will inform the School when the date is decided.

Report/Update from CIP Representative

Mr. Lesavoy said under Public Works they did not vote for stormwater because the existing Capital Reserve balance was \$204,000; Library also not approved as they did not show planned expenditures; Fire now leasing vehicles which amounts to debt-financing and does not follow the logic of Capital Reserves. The Budget Committee voted unanimously last year to add \$50,000 to Fire Capital Reserves but the money was spent elsewhere. The fund currently has a balance of \$130,000 which can be dispensed for lease payments; but leases are for 10 years which is beyond the CIP's 6-year planning window.

Mr. Lesavoy said for Police, \$5,000 approved for a study to look at possible expansion of the Police Station due to inadequate space; Recreation was approved for \$60,000 for a Shade & Rain Cover as well as an outdoor sound system; Planning Department includes an update of the Master Plan. Conservation

Commission brought requests though they have no Capital Reserve Fund asking for a culvert in Schanda Park which CIP felt should be under Public Works; second request was for a redesign of Schanda Park according to the design provided through a grant for a Living Shoreline. Hard engineering work projected to be \$75,000 with an estimated total cost for park of \$500,000. CIP Committee felt this should be recommended to the Council to establish a Capital Reserve Fund and approved \$75,000 to start.

Mr. Lesavoy said Water & Sewer are Enterprise Funds with only contributions from rate payers. Requests were consistent with what the Town has been spending. The CIP Committee felt there should be a big picture look at all Capital Reserve projects so departments can see and understand others requests and looked at standardizing the form the requests come in on.

Mr. Smith asked the location of the Shade & Rain cover for recreation; Chairman LaBranche said the basketball court behind the recreation building. Mr. Smith also asked if there was any discussion about long-term goals around Channel 13 and the audio/video system. Mr. Lesavoy said there were no submissions for that. Mr. Cady asked about the \$50,000 the Budget Committee approved for Fire Capital Reserves last year. Mr. Ward said he did bring it up at the last Town Council meeting with no immediate response.

MEETING MINUTES

Approval of Meeting Minutes of August 29, 2022

Mr. Cady made a correction to line 120 to change "he" to *the*.

Motion: Mr. Cady made a motion to approve the August 29, 2022 Meeting minutes as amended; seconded by Mr. Carpenter.

Vote: Motion approved by a vote of 5-0 with 2 abstentions.

ANY OTHER BUSINESS

Scheduling: The Committee discussed changing the December 26 School Public Hearing date and after discussion agreed to January 9, 2023 at 6:30 pm. Chairman LaBranche said the next meeting will be October 24 and they would keep the November 28 date for now.

Next Meeting: October 24 , 2022 at 6:30 pm in Town Hall Auditorium.

ADJOURNMENT

Mr. Cady made a motion to adjourn the meeting, seconded by Mr. Carpenter, all in favor 7-0.

Chairman LaBranche adjourned the meeting at 7:28 pm.

Respectfully Submitted,

Patricia Denmark, Recording Secretary