

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

JUNE 28, 2021 7:00 PM

TOWN HALL AUDITORIUM

Approved August 30, 2021

MEMBERS PRESENT: Chairman Joe Lamattina, Vice-Chairman Michael LaBranche, Roger Cady, Michael Mattozi, Eric Wigode, Richard Lesavoy, School Board Rep Gary Swanson, Town Council Rep Brian Ward, Brian Hickey

EXCUSED: Christopher Wolfe, Ned Carpenter

ALSO PRESENT: Town Planner/Zoning Administrator Diane Hardy

AGENDA

Chairman Joe Lamattina welcomed everyone to the Newmarket Budget Committee Meeting of June 28, 2021 and called the meeting to order at 7:00 pm followed by the Pledge of Allegiance.

PUBLIC COMMENT

No public comment.

OLD BUSINESS – None

NEW BUSINESS

Introduction – Brian Ward, New Town Council Representative

Brian Ward said he was appointed as the new Town Council Representative to the Budget Committee and joined because he wanted to improve housing costs in the Town among other things. He has experience as a reporter for Stratham and Newmarket Town Councils, and said he is glad to be here.

Capital Improvement Program (CIP): Expectations & Timeline for 2021-22 Budget Cycle - Diane Hardy

Town Planner Diane Hardy said she will talk about Newmarket's Capital Improvement Program (CIP) and said this is the 15th CIP process she has worked on. She said she will give an overview of what the CIP plan is, the benefits and legal framework, and define Capital Projects vs. Capital Equipment.

Ms. Hardy stated that CIP is a long-term planning document which outlines anticipated expenditures for capital projects and equipment over a period of 6 years. The goal is to implement planning goals with

specific facility improvements, projects, and programs aimed at increasing the capacity of the Town's infrastructure, and to link local capital investments in infrastructure with land use planning and economic development. CIP benefits the community by preserving health, safety, and welfare; it anticipates growth demand, improves interdepartmental communication and coordination, avoids undue tax increases, supports economic development, and provides a foundation for growth management and impact fees.

NH RSA 674:5 Legal Framework gives planning boards the authority to adopt a Master Plan to prepare a Capital Improvements Plan with projects over a 6-year period. The CIP is based on information submitted by departments and agencies of a municipality and takes public facility needs indicated by the Master Plan (MP) into account. It classifies projects according to urgency and recommends a time-sequence for implementation.

NH RSA 674:6 Purpose & Description classifies CIP projects using a rating system: Urgent-U, Compulsory-C, Necessary-N, or Desirable-D; strives to provide an adequate level of capital expenditures that provide an affordable level of local taxes to stabilize the tax rate; requires renewal of CIP in relation to goals and recommendations of the Town's Master Plan. *NH RSA 674:7 Preparation of CIP*: CIP is part of the Budget Process under a town-anager form of government, and the Town Manager makes recommendations to the Town Council and the Budget Committee and ultimately as part of a Town Budget for Town Meeting. The CIP Committee submits recommendations only in an advisory role.

NH RSA 674:8 Consideration by Town Council & Budget Committee: In order for a municipality to adopt impact fees it must have enacted a CIP pursuant to *NH RSA 674:7*. They are charged to recover costs of capital improvements necessitated by new development and looking to address growth in the long run; Newmarket charges impact fees for Recreation, Public School, and Water & Sewer. *NH RSA 674:21 Impact Fees*: Per Town Charter the Capital Improvements Program Committee consists of representatives from the Town Council, Planning Board, Budget Committee, School Board, and 2 at-large members, and charges it with preparing the CIP, granting them all powers under *NH RSA 674:5*.

In the Town's CIP Plan there are 2 types: (1) *Capital Equipment* defined as purchase of a tangible item that is non-recurring, has a 3-year useful life, and an aggregate cost o at least \$10,000; (2) *Capital Project* defined as a project undertaken to enhance infrastructure and public facilities of Newmarket with a useful life of 10 years and costs at least \$50,000. Examples of both were provided. The Master Plan represents the collective vision residents have for Newmarket as articulated through public meetings and comments solicited through the planning process; goals and recommendations of the MP are reflected in a Vision Statement. There has to be a relationship between MP and Capital Projects.

Ms. Hardy said last year there were 51 CIP FY2021/22 requests, with Town requests totaling \$2,279,308, School requests totaling \$136,426; the CIP Committee recommended \$2,236,488 for the Town and \$234,300 for the School for a grand total of \$2,470,300. She said this should not only be a tool in Town Council deliberations but in the Budget Committee as well. Not all the projects get funded; the Town Manager has first opportunity to make cuts, which then goes to the Town Council and Budget Committee.

CIP Process: Requests go out to Town Departments in August; CIP Committee usually commences beginning of September; the Committee studies each request, deliberates, and makes recommendations which are forwarded to Town Manager by October 1st. Recommendations were submitted early last year and the idea is to have it completed in advance of the Town starting its Budget Process.

Budget Committee Remote Meeting
May 24, 2021

Ms. Hardy said her role is as coordinator getting all Department Heads to come forward, and the information is made available to the Budget Committee to review and discuss and each Department Head, giving the Budget Committee an opportunity to ask questions. She said the CIP Committee puts together a memorandum with recommendations to the Town Council. She said this is a worthwhile project giving everyone the opportunity to evaluate what really needs to be done. The Town had a Facilities Director for a few years who documented the needs of all municipal facilities with a 10-year plan of programs, and the Town Manager is now interviewing to fill that position.

Vice-Chair LaBranche said the CIP gets documents from Department Heads and makes recommendations and asked who they recommend to. Ms. Hardy said the recommendations are made to Town Manager Steve Fournier and he recommends to the Town Council; early in the process the CIP Committee now meets with the Town Council, so they better understand what the recommendations are; the Town Council reviews, and the document becomes part of the Budget Process. She said over time people have a better understanding about the work of CIP and how it fits in with the Budget Process.

Review Town Response to March Questions

No questions from Budget Committee members.

Review Town April 2021 Financials/Review Town May 2021 Financials

Chairman Lamattina said no one from the Town is here for tonight's meeting and any questions will be put together and sent to the Town for responses.

Mr. Cady said his only question is in looking at Town spending which will be under budget and some money returned but he could not get a feel for the amount. Chairman Lamattina said we will know that when we get year-end financials.

Review School Latest Financials

Mr. Cady said in reading Janna Mellon's report it looks like a substantial sum of \$1.9 Mil returned to the Town from this year's School Budget. Mr. Swanson said it should be close to \$1 Mil. Mr. Matozzi said her report dated June 8th estimates the ending expenditure of the Budget at \$1.44 Mil. Mr. Cady said the estimate was \$1.4 Mil and there are additional items of \$250,000 not being expended from Warrant Article 5 last year and \$200,000 of interest not allocated, which he added to the \$1.4 Mil to get \$1.9 Mil. Mr. Cady said he assumed the School will keep up to 5%, but Mr. Swanson said the School Board voted to only keep 2.5%.

Approval of Budget Committee Meeting Minutes of May 24, 2021

Motion: Mr. LaBranche made a motion to approve the minutes from the May 24, 2021 Budget Committee Meeting, which was seconded by Mr. Cady.

The motion was approved by a vote of 7-0 with 2 abstentions.

Meet & Greet with Department Heads Schedule

Chairman Lamattina reviewed the Schedule to meet with Department Heads.

OTHER BUSINESS

Budget Committee Remote Meeting
May 24, 2021

NEXT MEETING: July 26, 2021

ADJOURNMENT

Vice-Chair LaBranche made a motion to adjourn the meeting which was seconded by Mr. Swanson.

All members were in favor and Chairman Lamattina adjourned the meeting at 7:38 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary