**TOWN OF NEWMARKET, NEW HAMPSHIRE**

**BUDGET COMMITTEE**

**August 24, 2015 6:30 P.M. DRAFT**

**TOWN COUNCIL CHAMBERS**

MEMBERS PRESENT: Chairman David Foltz, Vice Chairman Michael “Mickey” Burns, William “Blue” Foster, Dan Hill, Jeff Raab, Daniel V. Smith, Michael Lang

EXCUSED: Craig Dionne, Meg Louney-Moore, School Board Rep Gail Durocher-Wentworth, Town Council Rep Larry Pickering

ALSO PRESENT: Lamprey Health Care CEO Greg White

**AGENDA**

Chairman Dave Foltz welcomed all present to the Budget Committee meeting of August 24, 2015 and called the meeting to order at 6:30 pm, followed by the Pledge of Allegiance.

**Attendance:** Chairman Foltz stated that Craig Dionne, Meg Louney-Moore, and School Board Representative Gail Durocher-Wentworth were all excused, and said he would contact Larry Pickering. He welcomed Greg White, CEO of Lamprey Health Care, to the meeting.

**OLD BUSINESS**

**Approval of the Minutes of June 15, 2015**

Mr. Foster made a motion to approve the minutes of the meeting of the June 15, 2015, and Mr. Hill seconded.

There were no questions or changes and the Committee voted in favor of the minutes of June 15, 2015 by a vote of 5-0, with 2 abstentions.

**NEW BUSINESS**

**Greg White, CEO Lamprey Health Care**

Chairman Dave Foltz said that Mr. Greg White had reached out to him in June asking to meet with the Budget Committee, especially after the Petition Warrant Article in January regarding the Transportation Program. At that time the Budget Committee did not have as much information as they needed to make an educated decision, and Chairman Foltz thought this would be a good opportunity to learn more moving into the budget season.

Mr. Greg White passed out a packet of general information to the Committee members about Lamprey Health Care. He said that Lamprey Health Care was a 501C-3 not-for-profit organization, independent and free standing, and he had been with them for two (2) years. He stated that the mission of Lamprey Health Care was to provide high-quality healthcare and medical services without regard to a patient’s ability to pay. He said the organization had received designation as a Federally Qualified Health Center, with some Federal funding to offset fees and the discounted care provided, and a little reimbursement from Medicare and Medicaid. He said that four (4) Newmarket residents were on the Board of Directors, and all members were required to use the health services they provided. Mr. White said they employed approximately 150 staff for the three (3) sites, and that all providers were employees of Lamprey Health Care and not contracted. He said they were fortunate to have admitting privileges at Exeter Hospital, with whom they co-located x-ray, physical therapy, occupational therapy and other services.

Mr. White said that last year Lamprey Health Care integrated a new Behavioral Health Program with counselors embedded in teams, and that they also worked with Seacoast Mental Health. He said they also housed a Southern New Hampshire Area Health Education Center, with programs based on nursing and medical interpretation, with coordination of nurse and medical student rotations. He stated that in July they became a fiscal agent for Seacoast Public Health Network, a collaboration of agencies in the area. He said they provided primary healthcare to approximately 5,200 unique patients each year in Newmarket and surrounding communities, with a total of 23,000 visits. They also delivered and cared for 100 babies and served over 430 homeless individuals, employing 64 people, 14 being Newmarket residents. Of the 5,200 total patients, Newmarket accounted for 1,550 with 6,000 visits, many on Medicaid and 15% with no insurance, with Lamprey Health providing $58,000 in free and discounted care. Mr. White said they also provided a school-based dental program providing screenings and education to students.

Mr. White stated that the Transportation Program had a budget of roughly $185,000, which largely paid for itself but had been running a fairly sizeable deficit the past few years. He said this was partially due to reductions in Federal funding and COAST funding. He stated that the program consisted of two (2) main aspects, seniors and a demand ride call-up service where only a donation was requested. Mr. White said that towns constituted approximately 41% of their budget and the State 24%, with the balance from fundraising, Medicaid payments and donations. He said that in 2014 they served 128 Newmarket residents for 1,470 rides, and that the average cost per ride was $22.00. He added that they were asking for only a $9.00 donation, and that the average Newmarket donation was $6.00.

Discussion: Mr. Raab asked if the percentages quoted were just for transportation or for the whole budget, and Mr. White replied they were just for transportation. He added that overall approximately 60% were patient fees with a Federal Grant of $2.8 million, some State contracts, and a community benefit grant from Exeter Hospital. Chairman Foltz asked for the average number of rides provided daily in Newmarket, and Mr. White said there were roughly 50 folks every other week, cobbled together with rides to Raymond and Exeter. Mr. Foster asked that if the Petition Warrant Article for $10,000 had not passed, would services stop being provided for. Mr. White said that they would change substantially, as there was already a running deficit, and that costs were largely for fuel and staff. Mr. Foster then explained how the Budget Committee had received zero information on the situation when voting on the Petition Warrant Article, as the funding for Lamprey Transportation had already been cut from the budget they voted on. He added that no one had provided information on Lamprey Health Care or the Transportation Program, and that controversy usually arose when things were put in or taken out of the budget, especially with everyone asking for lower taxes and tighter budgets. Mr. White replied that he understood the budget concerns. Chairman Foltz asked Mr. White to keep the dialog open and let them know if they could help with anything else, and thanked him for his presentation.

**Meeting of the Chairs Recap**

Chairman Foltz stated that the previous Monday the first meeting of the Chairs was held, including CIP, Town Council, Conservation, Planning Board, and others but with no representative from the School Board present. He said that what he took away from the meeting was that this was going to be an interesting budget year, wanting to deliver a flat budget but with many things coming up that needed attention. He said it was clear that though they were holding steady with the School, more funding for roads would be requested, and the Town was going to have to start taking care of things they had been putting off for years. He said that Teachers’ contracts would need to be renegotiated and architects were being consulted regarding a possible school rebuild, and that the School Board intended to have something on the school situation by the March ballot as they had been working non-stop all summer. Chairman Foltz said there were going to be some tough budgeting sessions ahead with a lot of things coming together at once.

**Review Budget Timeline – Town and School/ Review Budget Committee Meeting Calendar**

Chairman Foltz said he had looked at the review calendar for last year and had contacted Town Administrator Steve Fournier and School Business Administrator Christine Blouin in an effort to set the calendar for November and December. He stated that the Town needed to deliver the Town Budget to the Budget Committee by November 15, 2015. He said the Town Budget Sessions would be divided into two work sessions, November 23rd and 30th, as this had worked well last year. He stated that the School Budget needed to be approved by the School Board by November 19, 2015, and that the School Budget would be delivered to the Budget Committee by November 24th. School Business Administrator Blouin had asked to meet with the Budget Committee on December 7th to start off the School Budget process. Chairman Foltz said he had also scheduled two (2) work sessions for the School for December 7th and 21st. He said at the first session they would review the School Budget and by the second they would have a better idea of the warrant articles, working backward on a timeline of what had to be delivered. He added that he had not yet set up the calendar for January as a result.

Mr. Smith reported that the CIP Committee was working backwards to have everything done by the end of September. He said that it was completely unclear about whether the School would be presenting and that no representative had attended the meeting. Chairman Foltz said that his understanding was that the School would have to be present if they wanted to use Impact Fees, and that they were looking at using approximately $60,000. He said the school elevator might be done by October but costs were not known or what the contingency would be, and that at the last meeting the School had approximately $79,000 in the Contingency Budget Fund. He said he had spoken to Town Administrator Fournier and that the Town could come in within 1.2% ($120,000) of their budget, while the School looked like 3.8% or 3.9%, or approximately $622,000 but were trying to cut the budget as much as possible.

**Budget Committee Special Meeting**

Chairman Foltz asked the Committee members if they would be available on Tuesday, September 8, 2015 at 6:30 pm for a Special Meeting, which should not run longer than 15 minutes. He explained that Town Administrator Fournier had requested the meeting for the Budget Committee to approve the Town applying to DRA for an emergency expenditure from the Water Fund due to increased costs for the MacIntosh Well. He said that recent bids had shown real costs to be approximately $800,000 greater than the original cost estimate. He said that the Town Council would be recommending the approval of a special resolution at their meeting on September 2nd, and once passed, it would need the final approval of the Budget Committee. He asked for a motion for the September 8, 2015 meeting at 6:30 pm.

Mr. Lang made a motion to approve a Special Meeting of the Budget Committee to be held on September 8, 2015, and the motion was seconded by Mr. Raab.

Chairman Foltz said he would send the information out as soon as he received it. He said there was currently a surplus of approximately $1.3 million in the Water Fund, so the money was available. He said the only concern was in the event a 4th well might need to be added, and taking away from any needed emergency funding. Mr. Hill asked for the percentage of the increase over the original plan, and Chairman Foltz estimated approximately 30%. He said the bonding authority had been $2.5 million and new costs for the well were estimated at approximately $3.3 million. He said that they did the bonding for the project in 2012, and went out for bids this year. Five (5) bids were received, but the lowest bid cost considerably more than budgeted. He said that Town Administrator Fournier had met with the Commissioner and that the Town needed to file an application with the DRA. Mr. Hill asked for a short explanation of what went wrong. Chairman Foltz said it was more about blending wells and the engineering on what needed to be done. He said also the Town had been holding steady versus putting money aside, and there would be some tough conversations for this particular budget year. He asked if all members of the Committee were in favor of the special meeting and all members were in agreement. He said that he highly recommended watching the Town Council meeting on September 2nd, and also the meeting of August 19th.

**Duties of the Budget Committee Review**

Chairman Foltz said that he had met with lawyers for the Town last year. He stressed the importance of dates along with education on the 10% rule and its exceptions (collective bargaining is exempt) dealing with teachers’ contracts. He said the Budget Committee needed to see their role with regard to the 10% rule, which could change the dynamic of a lot of the warrant articles. Mr. Foster asked if the presentation by Chief Cyr regarding merit increases had been brought up at the meeting of the Chairs, and Chairman Foltz said that it was not mentioned. Chairman Foltz said it was the first meeting and had followed many paths, with discussion mainly on trying to deliver a flat budget. Specific to Mr. Foster’s question, he said that the Town was conducting a Salary Survey. Mr. Foster felt it would be difficult to keep a flat budget along with merit increases. Chairman Foltz said the Town Council would probably be asking for another $150,000 to be added to the Road Capital Reserve Fund, and that a survey of the roads was being conducted. He stated that the Budget Committee needed to continue to educate themselves and be familiar with what was coming up to make their job easier. He said the goal for the next three (3) months was how the Budget Committee could be more prepared for November and December, so that questions were answered before the Budget Process. He said that Town Administrator Fournier needed to deliver his budget to the Town Council by October 15, 2015 so they could go through department by department and get the budget to the Budget Committee in November. He said School Business Administrator Blouin was also trying to cut back and tighten the School Budget.

**OTHER BUSINESS**

**Next Meeting**

Special Meeting to be held on September 8, 2015 at 6:30 pm.

**Adjournment**

Mr. Lang made a motion to adjourn the meeting and Mr. Hill seconded. The Committee approved the motion unanimously, and the meeting was adjourned at approximately 7:12 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary