**TOWN OF NEWMARKET, NEW HAMPSHIRE**

**BUDGET COMMITTEE**

**AUGUST 25, 2014 6:30 P.M.**

**TOWN COUNCIL CHAMBERS**

MEMBERS PRESENT: Chair Amy Thompson, Vice Chair David Foltz, Drew Kiefaber, Greg Dionne, Russ Simon, Dale Pike, Michael Lang, Chair of School Board, Gail Durocher-Wentworth

EXCUSED: Mickey Burns, Meg Louney-Moore and Mary Jane Hilton

ALSO PRESENT: Town Administrator Steve Fournier

**AGENDA**

### Chair Thompson called the meeting to order at 6:31 p.m., followed by the Pledge of Allegiance. Chair Thompson welcomed the Chair of the School Board, Gail Durocher-Wentworth.

**OLD BUSINESS**

**Approval of July 28, 2014 Minutes**

Mr. Simon moved to accept the minutes of the July 28, 2014 meeting. Mr. Lang seconded.

Mr. Simon pointed out a discrepancy in the minutes under Old Business and the Approval of May 19, 2014 minutes. He stated in the minutes the vote was initially 10-0 unanimously and then it was 9-1 with Mr. Foltz abstaining. He indicated it was confusing and did not make sense. Chair Thompson stated that there was a typo in the April meeting minutes and confirmed the vote as being 9-1, with Mr. Foltz abstaining.

Mr. Simon suggested a change to page 3, third paragraph up, where it states that, “the Capital Improvement Plan Committee (CIP) ‘has been’ appointed.” Mr. Simon stated that it had not been. Chair Thompson then suggested that ‘is being’ be substituted for ‘has been’. Mr. Simon concurred with ‘is being’ or, in the alternative, ‘is in the process of being formed under the new Charter’. Chair Thompson requested a correction be made that the language be changed to state that the CIP ‘is being’ appointed, as the date of that meeting. All Members agreed.

Chair Thompson had a clarification on page 1, under Budget Law Training Workshop. In the 3rd sentence beginning “We would get a free workshop...” Chair Thompson stated for everyone’s edification, the clarification is that the Town would get a free workshop based on Attorney Ratigan being on retainer and not that the workshop itself is free.

Chair Thompson suggested a couple of minor changes for clarification purposes. First, in paragraph 3 of page 4, fourth line from the bottom, which states “…………’we’ operate so differently from the SAU.” Chair Thompson suggested that “we” be changed to ‘the Town.’ There were no other changes and the amended minutes were accepted and passed 7-0 with two abstaining.

**Budget Law Training Workshop - Update**

As a reminder, Chair Thompson stated that a Municipal Budget Law workshop is scheduled for Monday, September 8th in Chambers at 6:30 p.m. She invited and encouraged all those interested in the functions of the Budget Committee to attend. She stated that, in her opinion, it is critical for all Members of the Budget Committee attend and requested all those planning to attend to RSVP Kathy Castle.

**NEW BUSINESS**

**Town FY14 Final Overview**

Mr. Fournier reported that the Town remained under budget of anticipated expenditures without having to implement any spending freezes or by postponing any large projects. The Town appropriated $9,147,835 for fiscal year 2014 and finished by expending $8,891,883.28, over 97% of the approved operating budget. The Town has approximately $255,951 remaining. He noted it was a significant decrease of unexpended funds from the previous year. He stated that in fiscal year 2013 the Town’s operating budget was $8,932,042, with total expenditures of $8,342,029, leaving a balance of $590,013 remaining. Mr. Fournier stated that the Town has been budgeting tighter thereby creating a smaller gap between the actuals and the budgeted amount.

Mr. Fournier stated that the General Fund Operating Budget for fiscal year 2014 was $6,196,843 with expenditures totaling $6,065,844, leaving a balance of $130,998 remaining, or approximately 2%. He stated that it was a significant reduction from the previous year. In fiscal year 2013 the budget was $6,020,971 with expenditures of $5,607,273 leaving a balance of $413,697 remaining. He stated that this past year’s budget was the most conservative budget that the Town has had in years.

Mr. Fournier stated that healthcare was a big issue. He reported that in fiscal year 2013, $574,000 was budgeted and the remaining balance at the end of fiscal year 2013 was $91,000. He stated that an actual audit of all the figures was conducted, making sure the Town had the right plans for all the right people and, as such, the numbers presented were the actual audited figures that were predicted. He stated there would only be an issue if there are any employee changes, for example, marriage or children, which can affect the figures, as it did this year, resulting in the budget being over by $40,973. Mr. Fournier considered this a reasonable figure.

Mr. Fournier reported that legal costs were over budget. In fiscal year 2014 the budget was $135,572 due to a number of large cases. After seeing overages in previous years, the Town changed attorneys mid-year and switched from an hourly rate to a retainer. However, there were a number of cases involving the previous attorney that were carried over, causing an approximate overage of $10,132 in expenditures.

Mr. Fournier stated that there is a master list of accounts indicating deficits and surpluses. At the end of a fiscal year, the Town has the authority to transfer between accounts so that all funds are not deficits. Mr. Fournier pointed out that although the bottom line remains unaffected, it does affect each line item.

He stated the snow budget was over budget. The Town expended $31,999 for salt, $7,194 for overtime and $6,772 was expended for contracted services. Mr. Fournier stated that at the beginning of the year he gave the Public Works Director a directive with regard to overtime in the event of a snow storm. He suggested that employees not work a full week. For example, if an employee is working overtime on a particular day, that they should take time off during that week in an effort to eliminate overtime. Mr. Fournier indicated that they will be continuing the same practice this year in an attempt to limit the amount of overtime.

Mr. Fournier stated that the $130,998 is an important figure to think about because that figure is what will be going into the Town’s undesignated, unreserved fund balance. He reminded the Committee members that this was not cash on hand but only a paper transaction for fund balance.

Mr. Fournier stated there are 3 special funds, the library, recreation and solid waste funds. These special funds allow the Town to use the revenues these funds collect to offset the funds’ operations. He stated that the library is an independently governed body and, as such, the Town has no authority over the library’s operating budget with the exception of approving the funds at the beginning of the year. He reported that the library ran a deficit of $36,292 last year due to salary requirements and equipment purchases.

Mr. Fournier reported that recreation was under expended by $25,887 due to the reduction in the number of bus trips and unexpended salaries. He also stated that in fiscal year 2013, $44,589 was under expended. He stated that in fiscal year 2015 the accounting for recreation will be drastically changed. He stated that all the programing will be directly one to one for all revenues that they collect. He stated any excess revenues they have will remain in recreation’s own fund balance that the Council will have authority over.

Mr. Fournier stated that solid waste was $45,311 under expended due mainly to the reduction in the cost of landfill testing, as well as not having a household hazardous waste expense this past year. He did indicate, however, that there will be one this coming year.

Mr. Fournier stated that enterprise funds are the Water & Sewer Department. They are not funded by tax dollars and are totally funded by the rate payers. Any surplus realized goes back into their own fund balance and does not affect the general fund. He stated that the Town budgeted $851,091 for water expenses and expended $812,189 or 92% and for fiscal year 2013 96% of the budget was expended. He indicated that sewer saw a similar expenditure pattern with $957,534 budgeted and $906,389 or 95% expended.

Mr. Fournier reported that the Town is still in the process of auditing year end revenue figures. The Town is projecting that fiscal year 2014 revenues will be much higher than anticipated. The Town anticipates $1,131,000 in motor vehicle registrations, however, an estimated $1,273,298 in fees were collected, showing a surplus of approximately $142,000 in unanticipated revenues being collected. He stated that the Town is seeing an increase in building permits. The Town estimated collecting $21,602 in fees when in actuality $37,704 was collected for building permits. To coincide with the increase in building permits, there were a large number of Planning Board applications. The Town estimated $2,000 for Planning Board applications because it was not anticipating any large projects due to the economy. However, $18,741 in application fees were collected, $16,471 higher than anticipated.

Mr. Fournier stated that there was an increase in the estimated room and meals contribution from the State highway aid and other grants. In addition there was a refund of $92,770 from the Town’s contribution to health trust, which is actually revenue. He stated, in total, the Town is estimating a total of $393,000 in unanticipated revenues. Mr. Fournier reported that there was an increase in the enterprise fund of $81,832 and sewer increased $345,000, which was anticipated.

**OTHER BUSINESS**

Chair Thompson stated that there is a Budget Law Workshop scheduled for September 8, 2014. The next Budget Committee meeting is to be held on Monday, September 22, 2014 at 6:30 p.m. Chair Thompson welcomed the School Board and Dr. Michael Martin, School Superintendent, and anyone interested to attend and participate in the Budget Committee meetings.

**Adjournment**

Mr. Lang moved to adjourn and Mr. Kiefaber seconded. The motion passed unanimously and the meeting adjourned at 7:21 pm.

Respectfully submitted,

Dawne O’Hagan, Recording Secretary