**TOWN OF NEWMARKET, NEW HAMPSHIRE**

**BUDGET COMMITTEE**

**JANUARY 22, 2014**

**TOWN COUNCIL CHAMBERS**

MEMBERS PRESENT: Chair Ellen Snyder, Vice Chair Amy Thompson, Judy Ryan, Dana Glennon, Drew Kiefaber, Russ Simon, William “Blue” Foster, David Foltz, Michael Lang, (arriving at 6:22 p.m.), Town Council Rep Larry Pickering, (arriving at 6:20 p.m.), School Board Rep Cliff Chase

Chair Snyder called the meeting to order at 6:00 p.m. followed by the Pledge of Allegiance. The purpose of the meeting was to discuss and vote on the School Bond Warrant Article. She read the Article in full.

**Article 1:** To see if the School District will vote to raise and appropriate the sum of **$45,125,263** for the construction of a new Junior/Senior High School and authorize the issuance of not more than **$45,125,263** of bond or notes in accordance with the provisions of the Municipal Finance Act (RSA Chapter 33), and authorize the School Board to issue and negotiate such bonds or notes and determine the rate of interest thereon and to authorize the School Board to apply for, and accept and expend any federal, state, or other aid that may be available for said project; and to comply with all the requirements related thereto; and further to raise and appropriate the additional sum of **$1,303,619** estimated to be the first bond payment and authorize the School Board to take any and all actions necessary to carry out any vote hereunder or take any other action relative thereto. (Recommended by the School Board, 5 – 0). (60% Majority vote required). **Estimated tax impact = Increase of $1.75 per thousand assessed value.**

Chair Snyder clarified that the $1,303,619 first payment was for a partial year.

**Mr. Chase moved to recommend the Article as presented. Ms. Thompson and Mr. Foster seconded.**

Discussion: Mr. Chase thanked those who had attended and participated in the Public Hearing on the Article. He said there were opinions expressed that he had not previously heard. Mr. Glennon explained the reasons why he would not support the Article. He was concerned about having to decide about building before the financing was in place, and that all costs would be borne solely by the taxpayers. He said that even though a State Rep and another legislator were attempting to find help from the State for 30% of the financing, he hoped people realized that there were no State or Federal funds available at this time. He added that Newmarket would be the only School District in New Hampshire that he knew of, that would build a new school without financial aid. He said he was not saying that they did not need this, but thought there were alternatives to building a new school. He felt there was a vocal minority in favor of building, and encouraged people to research the issue and vote.

M. Kiefaber stated the reasons why he would support the Article. He said that the Jr/Sr High School was showing its age and did not meet State educational guidelines. Newmarket had sought a long-term solution to the problem for about 10 years, and 3 options had been investigated: to seek a tuition agreement with other Districts, to renovate the existing building or to build a new school. Although attempts had been made, there were no neighboring districts with whom Newmarket could partner, and he did not see this as a long-term solution. The costs of renovation were not significantly lower and would not solve all the problems, but would cause disruption over the estimated 2 years of the project. Therefore he did not consider this a long-term solution for the future. That left the 3rd option and he spoke about when this should be done. He said they had learned from the past that costs for materials and construction only go up and it was more likely that interest rates would also rise rather than fall. He said they could wait and hope that State aid would become available, but when and how much were unknowns. He did not think that delaying would provide a lower cost option, so he saw no reason to delay. He said that construction would lead to a 17% tax increase over the next 3 years, and recognized that this would be difficult for many. However, he could not see any other viable, long-term solution and would vote in support of the Article. (Please see attached document)

Mr. Simon read the following statement.

**New School Comments at Budget Committee Meeting 1-22-14**

*Newmarket is a reasonably small Town with a Jr. & Sr. High School student population today   
that averages only 63 students per grade.*

*At this level of students, we cannot provide the diversity and depth of curriculums and   
programs to ensure a quality education for our students to prepare for their futures.*

*Even with a growth of 30 in our student population, averaging 80 per grade, we will still be of   
a size that cannot provide our children with the learning opportunities they require and are   
available to the students of the other Seacoast Communities.*

*Virtually all the other Seacoast Town's, large and small, have recognized this and have already   
joined together in cooperatives or by tuitioning to provide the best, affordable education   
possible, except Newmarket.*

*Building a New Jr. & Sr. High School will not solve the problem, regardless of the high quality of   
our current educators.*

*It will however add, on average, over $3 Million dollars per year to our school costs and taxes   
for the next 25 years. And this doesn't take into account the increased operating costs and   
staffing, nor the likely unexpected costs or cost overruns that often come with these projects.*

*In addition, Newmarket currently faces a number of other infrastructure issues that need to be   
addressed including, Waste Water Treatment, Water Supply, and the condition of the   
Elementary School, to name just a few. Solutions to these issues are necessary and will also   
add to our taxes and user fees.*

*Many residents have asked the School Board and Superintendent for alternatives other than   
building a New School for the last 10 years, even by vote last year, and to date no alternatives   
have been provided.*

*I believe there are other viable alternatives that will provide better educational opportunities   
for our children and without adding the financial burden of a New School that doesn't solve the   
problem.*

*I will be voting No on this Warrant article and urge others to do the same.*

*Russ Simon*

Mr. Foster spoke about the growth in student enrollment and the age of the building and additions, and said they had outgrown the building. He said he, as many, could not count on increasing their earnings in order to cover the additional tax burden for building a new school. He said this would be a huge burden for everyone, but other long-term solutions had been looked at. He said they had looked at Epping and more recently at Oyster River, and he did not think that Newmarket was at fault because the agreements did not come to fruition. He said that Newmarket could have received State aid in 2006/2007. He felt the Jr/Sr High was too old to repair in addition to their having outgrown it. He felt it would be wrong to spend money to renovate a building that would continue to need constant repair. He said he would support the Article to build because it was a long-term solution.

Ms. Thompson stated that she had a construction background and worked in the industry. She was concerned that the renovations they had been told about came only from one source. She felt that renovation was an option and there things that could be done to meet DOE guidelines. She felt that building a school for a small town was too much of a burden for too many people, and had the same concerns about curriculum and programs that Mr. Simon expressed, and said that renovating or building would not solve those issues. She said that they did care about the students, but building would be too much of a burden. She felt they should pursue other renovation options and would not support the Article.

Chair Snyder said that she, like everyone else, respected people’s different perspectives on this complicated issues, and the previous year she had hoped there might be an alternative to building. She agreed that there might have been some lost opportunities over the past 10 years, but that it was time to do something about the school. She said there was a lot of passion in the community on both sides of the issue, but she felt that was particularly expressed by those who spoke favorably about building a new school. She mentioned comments about a new school being an investment in the community and the importance of perception for those who wanted to stay in the community and for those seeking to move to Newmarket. She was worried that renovation could be just or almost as costly as building and they would not have a good facility that the community could be proud of. She said they had overwhelmingly supported the wastewater treatment plant, the new well, the Downtown project along with other efforts, and now it was time to support a new school. She said there was no doubt that his would be very expensive, but postponing would not be helpful and the community had struggled with this for 10 years. She said it would be great if money could be found to help and there had to be ways to bring down the cost. She added that the Town was holding down costs and juggling major infrastructure projects, which gave the community a little space to take on this project. She said that from listening to the community about the need for a new school, she felt they should go forward and she would support the Article. (She announced that Mr. Pickering and Mr. Lang had arrived while she was speaking.)

Mr. Chase said he felt the Budget Committee’s role was to look at short term and long term financial decisions for the community. He said that they could consider renovation, as perhaps the estimates were high, and have other estimates done by different firms for additional costs. He said this would be a longer postponement, but would maximize the building on the current site so that in 30 – 40 years they would not have the ability to do anything further. He felt that building a school was a long-term solution, and added that they had seen what waiting does to costs. He said the costs for utilities and for maintaining the current building were significant. He said that in addition to the costs for correcting the fire and life issues, there were plumbing and heating updates that needed to be done. He said that there also were necessary upgrades that had to be done to the elementary school and other major infrastructure projects for the Town. However, even though this was of concern, he said they would not make any progress if they didn’t do anything because they couldn’t do everything. He felt this was not a good reason, but an excuse to not support the Article. He said he supported the Article as they had exhausted the other options and he did not feel there was another one.

**As there were no further comments, Chair Snyder called for a vote. Motion to recommend Article 1 failed by a vote of 5 – 6, with Mr. Kiefaber, Mr. Foltz, Mr. Foster, Mr. Chase and Chair Snyder in favor and Mr. Simon, Mr. Lang, Ms. Thompson, Mr. Glennon, Ms. Ryan and Mr. Pickering against.**

Approval of the January 13 and January 15 minutes was deferred as not all members had the chance to read them. The Committee will meet on February 8th at 9:30 a.m.in the High School gym prior to the Deliberative Session to approve those minutes along with those from this meeting. Chair Snyder would see that the meeting was posted. The Committee did not expect to meet again until sometime after the March 11th vote.

Both Chair Snyder and Vice Chair Thompson thanked the members of this Budget Committee for their participation and support.

**Mr. Simon moved to adjourn and the motion was duly seconded by the Committee. Meeting adjourned at 6:30 p.m.**

Respectfully submitted, Ellen Adlington, Recording Secretary

**DREW KIEFABER’S STATEMENT CONCERNING A NEW SCHOOL** Jan. 22, 2014

I will vote to support this warrant article and I would like to explain why.

Our existing Jr/Sr High School classroom areas have served us well for 50 to 85 years. These facilities are showing their age and do not meet current educational facility guidelines. Our community has been discussing and evaluating potential long term solutions to our Jr/Sr High School facility concerns for approximately a decade.

Three long term solution options have been investigated – tuition agreements with neighboring districts, renovating the current facility or constructing a new facility.

We have been unable to find a neighboring school district to partner with. Two districts, Epping and Oyster River, had expressed preliminary interest, but eventually either the townspeople or the school board said they are not interested in partnering with Newmarket. I have no reason to expect that a neighboring district will change course and offer to partner with us. Therefore a tuition agreement with a neighboring district is not a viable long term solution.

Renovation of the existing facility has been evaluated. The projected cost of a renovation is not significantly lower than the cost of a new facility and many of the current facility constraints would not be alleviated. In addition, renovating the current facility is likely to cause significant educational disruption while construction is progressing. I have no reason to expect that renovating the current facility will be an improved option in the future.

That leaves the third option, construction of a new school. The next question is when? The three factors that most effect taxpayer cost of school are: material and construction costs, interest rates and state building aid. Material and construction costs are likely to increase the longer we wait. Interest rates are currently low and are more likely to rise than fall. State building aid may be available at some point in the future, but when and how much would be available is unknown. I do not foresee a scenario, in the near term future, where a combination of these three factors will result in a lower cost option. For me, that means there is no reason to delay construction of a new school.

I know that passage of this warrant article will result in an approximately 20% increase in the tax rate over the next three years. That level of tax burden will be difficult for many in our community. Unfortunately, I do not see any other viable long term solution to our Jr/Sr High School facility concerns.