**TOWN OF NEWMARKET, NEW HAMPSHIRE**

**BUDGET COMMITTEE**

**June 15, 2015 6:30 P.M.**

**TOWN COUNCIL CHAMBERS**

MEMBERS PRESENT: Chairman David Foltz, Vice Chairman Michael “Mickey” Burns, William “Blue” Foster, Dan Hill, Craig Dionne, Meg Louney-Moore, Jeff Raab, Town Council Representative Larry Pickering,

EXCUSED: Michael Lang, Daniel V. Smith, School Board Representative Gail Durocher-Wentworth

ALSO PRESENT: Town Administrator Steve Fournier

**AGENDA**

Chairman Dave Foltz welcomed all present to the Budget Committee meeting of June 15th and called the meeting to order at 6:30 pm, followed by the Pledge of Allegiance.

**Attendance:** Chairman Foltz stated that Michael Lang, Daniel V. Smith, and School Board Representative Gail Durocher-Wentworth were all excused. He welcomed Town Administrator Fournier to the meeting.

**OLD BUSINESS**

**Approval of the Minutes of May 18, 2015**

Mr. Hill made a motion to approve the minutes of the meeting of the May 18, 2015, and Mr. Dionne seconded.

Changes/Corrections: Mr. Raab corrected “Vice Chairman Dave Foltz” to “Chairman Dave Foltz” on page 1 under Agenda. On page 2, he recommended that “Transportation” be added to the inquiry by Mr. Foster regarding the increase to the amount budgeted under *Contract Renewal*.

The Committee voted in favor of the minutes as amended by a vote of 8-0.

**Appoint Budget Committee Representative and Alternate to Capital Improvement Plan (CIP) Committee**

Chairman Foltz announced that Mr. Dan Smith had volunteered to be the Budget Committee Representative to the CIP Committee. He also announced that Mr. Lang would remain the CIP Committee Alternate.

Mr. Foster made a motion to approve the appointment of *Mr. Dan Smith* as the Budget Committee Representative to the *CIP Committee*. All members of the Budget Committee were in agreement with the appointment.

Ms. Louney-Moore made a motion to approve *Mr. Michael Lang* as the *Alternate* Budget Committee Representative to the *CIP Committee*. All Budget Committee members were in agreement with the appointment.

**Right to Know Law Training - Review**

Chairman Foltz stated that there had been a good turnout by Budget Committee members for the Right to Know Law Training workshop, which was held on June 1st at 6:30 pm in the Town Hall Auditorium. He said that he felt that everything had been pretty straightforward and asked if there were any questions or comments.

**NEW BUSINESS**

**TOWN FY15 Review and Update – Steve Fournier**

Town Administrator Steve Fournier provided an update on the Town Expense and Revenue Report for the end of May 2015. He stated that as of May 31, 2015, 88% of the Town budget had been expended with $704,285 remaining, which was approximately $50,000 higher than the previous year. He added that as of June 15th the operating budget was 94% expended with $375,092 remaining for payroll. He said that in the last few years the Town had been able to turn money back into the Fund Balance, with $504,305 turned over in 2012, $518,272 in 2013, and $130,999 for 2014. He said that as of today the estimated amount remaining for FY2015 was approximately $48,000, which amounted to 8/10 of a percent. Town Administrator Fournier said that the reasoning for this was simple and consisted of two (2) items. He said that this was mainly due to the heavy snowfall and frequent winter storms, plus paid overtime for transporting the snow out of Newmarket. He added that they were not even sure if they would receive 100% of the funds requested from FEMA. He said that though there had been no budget freeze declared, this was the tightest budget he had ever worked with, and that some things had to be put off until the last quarter. He said that Capital Reserve funds consisted of discretionary money earmarked to remain in the capital funds and could not be used toward operating expenses. Town Administrator Fournier reported that, on the other hand, revenues were exceeding estimates by approximately $400,000. He said this was primarily due to the sale of a Condo property, adding that building permits were also up and there had been a large increase in motor vehicle permits. As a result, he stated that the Town Budget was doing fine.

Discussion:

Mr. Foster asked if typically the snow was trucked out of town during a heavy snow year. Town Administrator Fournier replied that the snow farm on Beech Street had been filled after the first storm. He said that he had then worked with the School District regarding the use of the Carpenter property, two (2) acres of which was deeded to the Town. He said that as the snow had lasted until May and that cleanup was still needed. Chairman Foltz asked Town Administrator Fournier if he foresaw the current revenue trend continuing. Town Administrator Fournier replied that as long as the economy remained somewhat healthy the trend would most likely continue. He said that after the bubble burst in 2008, the trend had been to keep vehicles for seven (7) years and that now more new vehicles were being purchased. Mr. Hill asked what amount of the revenue was represented by the sale of the Condo. Town Administrator Fournier replied that it was approximately $150,000-$200,000. Mr. Hill pointed out that this was roughly 30-40% of the overhead and that it could not be counted on yearly. Town Administrator Fournier said that he was also asking all departments to conduct a fee schedule review to make sure fees were in line with surrounding communities and to make sure they were fair and covered their costs. Mr. Foster felt that the bottom line was almost identical to last year. He asked for an explanation for the increase to $13,000 in the Conservation Commission budget line. Town Administrator Fournier explained that the increase was due to part-time salary costs for hiring a Recording Secretary for the Conservation Commission.

Chairman Foltz asked about the costs for Economic Development and Town Administrator Fournier replied that a consultant had been hired and that the project was divided into two (2) phases. He said that in the first place they were trying to figure out what Newmarket wanted in Town for businesses, and that the committee had met to come up with ideas. Secondly, they were looking at the land available to determine what the best locations for these businesses would be and what types were the best fit. He said that the committee would now make recommendations to the Planning Board to look at their zoning and possibly making changes to some parcels of land. Chairman Foltz pointed out that this was the third year they were seeing the surplus decreasing and asked how this might affect the budget next year. Town Administrator Fournier stated that the surplus was okay, especially with the added $400,000 in revenues. He said that in the past the surplus had been used to lower taxes, and that they had started budgeting for the use of the surplus in the operating budget. They had then coincided the amount of the surplus used with the money contributed to the Capital Reserve funds, which would not affect the tax rate. He said that the Auditors were currently in town to prepare for the end of the fiscal year on June 30th and that they would be coming back in late July/early August to wrap that up. Vice Chair Burns asked if there were any assurances that the work done by the Economic Development Committee was complete and final and would not be repeated. Town Administrator Fournier replied that the work had been completed and wrapped up.

Vice Chair Burns asked if there was any way to tell where the money to cover the overages had come from, and Town Administrator Fournier said this was covered by end-of-year transfers between departments but that he did not have the breakdown. He explained that department funds that were under budget were transferred to cover other department expenses, and that this was just an accounting situation. He said that this year the Finance Director would include a column in the budget for a pre-transfer amount which would show which departments were over or under. Vice Chair Burns asked what the snow removal costs had been, and Town Administrator Fournier replied that the first blizzard (submitted to FEMA) had amounted to $43,000 and that the second storm alone had cost the Town $50,000-$60,000. Vice Chair Burns asked what amount would be refunded by FEMA, and Town Administrator Fournier replied that it would be 75% of the initial $40,000, but that he was still haggling back and forth over how much would be allowed. Chairman Foltz asked when they might possibly see any reimbursement from Federal funds, and Town Administrator Fournier said that the Finance Director had earmarked the money as expended so that if they received reimbursement it would be a surplus.

Chairman Foltz then asked about the Merit Pool issue raised by Police Chief Cyr at the last Town Council meeting and asked how it would impact the rest of the year and next year. Town Administrator Fournier said that it would not impact this year as the $50,000 merit pool was already earmarked for distribution and would be made retroactive to 2014. He then explained that there were two (2) separate issues that Chief Cyr had been discussing, the first being the merit pool for employee merit raises. He said that secondly there was the salary survey of the pay schedule for all employees, and that it had not been done since 2005. He explained that as part of the survey, they take a position and compare the duties to surrounding communities and to the labor market and come up with a scale. He said he was currently working with the Finance Director on the determination of where a position falls for each employee and assuring they are paid what they should be. Chairman Foltz asked about the recent negotiations with the Police Department, and Town Administrator Fournier said that this contract was not part of the review. Chairman Foltz then asked for the status of the Road Survey, and Town Administrator Fournier replied that the UNH T2 survey would begin on July 1st. He said that they would look at the previous survey done in 2012, update the survey, and provide a more realistic plan in line with Town funding available. Chairman Foltz asked if any other projects would be starting up in July. Town Administrator Fournier replied that other projects included the Waste Water Treatment Facility (WWTF) which was a 3-year project, the MacIntosh Well, and Route 108 construction and widening with regard to the proposed Bike Path. He said they were soliciting bids for transportation improvements for Downtown which included adding and realigning crosswalks, adding bump-ups to slow traffic, improved lighting, and reducing the Town speed limit. Mr. Pickering asked if the Town was actually following the recommendations of the original UNH maintenance study, and Town Administrator Fournier replied that the Town did not have the funds for the original recommendations, but that they would be followed for larger projects.

**OTHER BUSINESS**

**Next Meeting**

Chairman Foltz stated that there would be no Budget Committee meeting for the month of July. He said that Mr. Greg White from the Lamprey Center had expressed an interest in meeting with the Budget Committee in August to discuss what they do in more depth, as a result of the transportation petition warrant article in January. He announced that the next Budget Committee meeting would be held on Monday, August 24, 2015. Chairman Foltz said that during August and September they would be getting ready for the upcoming Town and School budget review sessions. He said that there would be one (1) meeting in October, two (2) meetings in November, and three (3) meetings in December, one of which would be a Public Hearing.

**Adjournment**

Mr. Foster made a motion to adjourn the meeting and Ms. Louney-Moore seconded. The Committee approved the motion unanimously, and the meeting was adjourned at approximately 7:02 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary