**TOWN OF NEWMARKET, NEW HAMPSHIRE**

**BUDGET COMMITTEE**

**March 30, 2015 6:30 P.M.**

**COUNCIL CHAMBERS**

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

EXCUSED: Craig Dionne, Meg Louney-Moore, School Board Representative

ALSO PRESENT: Town Administrator Steve Fournier

**AGENDA**

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

**Attendance:** ViceChairman Foltz stated that Ms. Meg Louney-Moore would not be attending and that Mr. Craig Dionne was out of town. He said that he was still waiting for the School Board Representative to the Budget Committee to be named, and that the School Board would likely select someone at their next meeting.

**Welcome New Members to the Budget Committee**

Vice Chairman Foltz welcomed the newly elected members of the Budget Committee: Jeff Raab, Dan Hill, and Daniel V. Smith. He sent a thank you out to Russ Simon to let him know that his search for Waldo would still go on. He said that he was working on the books for Budget Law which would hopefully be available at the next meeting. He also mentioned that the budget for the Committee was already overspent.

**Elect Chairman and Vice Chairman**

Mr. Lang made a motion to nominate *Dave Foltz* as *Budget Committee Chairman*, and Mr. Burns seconded the motion. All members of the Committee were in agreement.

Mr. Foster made a motion to nominate *Mickey Burns* as *Budget Committee Vice-Chairman* and Mr. Hill seconded the motion. All members of the Committee were in agreement.

**OLD BUSINESS**

**Approval of the Minutes of February 4, 2015**

Mr. Lang made a motion to approve the minutes of the meeting of the February 4, 2015 Meeting, and Mr. Hill seconded.

The time of Adjournment was questioned but found to be correct. The Committee approved the minutes by a vote of 4-0, with 4 abstentions.

**NEW BUSINESS**

**Overview of February Expense and Revenue Report** – Steve Fournier, Town Administrator

Town Administrator Steve Fournier welcomed the new members to the Budget Committee. He presented an overview of the Town of Newmarket **Expense and Revenue Report** for the period ending February 28, 2015. He stated that as of the end of February, 67% of the budget had been expended which was right on target. He reported that the Public Works Department had seen large expenses for this year and that overtime, salt, winter equipment rentals and vehicle maintenance were all over-expended, but not the department itself. He projected that at the current rate, the Town would be 0.5% under budget at the end of the fiscal year, which would be tight. He added that they were not yet in a freeze, but that the departments were notified to be cautious with expenditures. Town Administrator Fournier stated that they were already seeing a plus on the revenue side and that it continued to be higher than anticipated. He reported that *Vehicle Registrations*, the number one revenue source for the Town after property taxes, had increased 5% over last year at this time. He said that *Building Permits* were 72% higher than at the same time last year, as a number of subdivisions had come in with the development at the golf course and on Bald Hill Road, and also a building permit for the Weaver’s Row Plaza and market. He stated that as of the end of February, they had collected 77% of all revenues for the year, and that the Town was currently doing well financially.

Town Administrator Fournier announced that they were still looking for one more individual for the Trustees of the Trust Fund, which oversees Capital Reserve and Trust funding which are segregated from the general fund.

**Budget Committee Roles and Responsibilities**

Town Administrator Fournier addressed training for Budget Committee members, and said that he would see if there were any financial classes being offered by the New Hampshire Municipal Association and that he would get the books on Municipal Budgeting. He stated that last year the Town Attorney had come in and provided instruction on the rules and duties of the Municipal Budget Committee. He pointed out the Committee would actually follow two sets of laws, one for the Town and one for the School. He said that the laws for the Town were closer to a city form of government, following council management and the Town Charter. He stated that the School, as an independent School District, followed State school budget law, and that there would be two (2) sets of dates for the Town and the School District as a result. He explained that with the budget for the Town, the Town Administrator proposes a budget, the Town Council reviews the budget, and it is then brought to the Budget Committee for review. He said that the Budget Committee was basically a sub-committee of the legislative body, and that they could only review the bottom line, with the Town Council having all authority of transfer.

Town Administrator Fournier said that the Town Charter had been amended this year, as the Department of Revenue, who oversees taxation had determined that the Town could no longer include Capital Reserve funds in the operating budget. As a result, they had to be submitted as separate warrant articles. He said due to the amendment to the Charter, the only warrant article for the Town next year would be for the approval of the operating budget. He explained that the creation of Capital Reserve funds rests with the legislative body, and that the only time the Town Council is not the legislative body is for raising of appropriations for the budget.

Discussion: Chairman Foltz asked whether the Town would see any of the emergency aid that had been requested as a result of the winter blizzard. Town Administrator Fournier replied that they would. He explained that the preliminary application had been submitted to determine whether the threshold was met for the County for an emergency declaration to be made. He said that as an emergency had been declared, the Town would now need to provide the actual costs. He felt that they should receive approximately 75% of the associated costs for the January 27th blizzard. He explained that though this was higher in the past, the State no longer contributed their share of 12.5% and provided no revenue sharing outside of a few contributions. Town Administrator Fournier pointed out that any changes in the State Legislature would affect what the Town would need to raise for revenue sources that may be lost. He said that additionally, any reductions to Health & Human Services would directly impact the Town, as some services (Welfare) are required to be provided by law. Chairman Foltz asked if the Town was seeing that more road repairs were needed as a result of the storms. Town Administrator Fournier replied that he was not yet sure what would be needed, but pointed out that they did now have the Capital Reserve fund for roads. He stated that the Town planned to conduct a road survey and to start putting money aside for larger construction projects. He said that proposals had been received for other large projects that had been sent out for the Wastewater Treatment Facility upgrades, and that they would be opening shortly with ground-breaking estimated to be sometime in May.

Mr. Foster questioned the issue of trust funds now being part of the operating budget. Town Administrator Fournier clarified that this included the “contributions” to the trust funds only, and not the actual trust funds. Mr. Foster asked if expenditures would be included, and Town Administrator Fournier explained that all they would be seeing for expenditures would be the contribution to the Capital Reserve funds. He said that it was up to the Town Council to determine and withdraw these funds, which were only for capital projects. He stated that as they were now at the beginning of the budget process, only a list of the levels of the capital reserves funds would be provided to the Budget Committee, and that during the year he would go to the Town Council to pass resolutions to withdraw those funds. Mr. Foster asked if a cap of these funds was set by the Town Council, and Town Administrator Fournier replied that there was no cap as the amount for each fund had been budgeted. He explained that during the year funds were transferred from the operating budget to the general fund and then to the trust funds. Mr. Foster raised a procedural question regarding the petition warrant article that had been submitted by Lamprey Health and approved at the public hearing, and asked what the next step would be. Town Administrator Fournier explained that on July 1st, the start of the fiscal year, the organization would need to make a formal request for the funds and he would then write a check to the Lamprey Transportation Service. He said that as the voters had approved the funds, the Town was obligated to provide them. He added that if they had not approved the funding, then no contribution could be made even if other funds were available in the operating budget. He also added that on the Town side, only “financial” warrant articles could be petitioned.

Town Administrator Fournier returned to the roles and responsibilities saying that the Budget Committee was basically there for the legislator which is the Public, to educate them and put the best budget before them. He added that there might be some lengthy discussions coming up during the year, especially regarding the Wastewater Treatment Facility and the School.

**2015 Budget Committee Meeting Schedule**

Chairman Foltz presented a rough draft of the meeting schedule for the rest of the year. He said that he had taken last year’s dates and had highlighted the typical last Monday of the month in yellow. He stated that they would not be meeting in April, and that they would probably meet on May 18th as they would not meet on Memorial Day. He said that he would work with Business Administrator Christine Blouin from the School District on setting up the May date, and that they could look at June after their May meeting. He stated that no meeting was being scheduled for July as the financial books are being wrapped up at that time and they would get a better report in August. He pointed out the increased number of dates for December during which the Town and the School budget reviews sessions would be held, with the Town Budget due December 15th and the School Budget due on December 22, 2015. He added that the dates could change but that he wanted to give the Committee some idea of the upcoming schedule. Chairman Foltz explained that the reason they continue to hold the monthly meetings is to go through the Town and School reports to alleviate the need to review all the information at one time at the end of the year.

**Next Meeting**

Chairman Foltz announced that next meeting of the Budget Committee was tentatively scheduled for May 18 2015.

**OTHER BUSINESS**

Mr. Foster asked if new books would be provided to the Budget Committee members and if any changes had been made to the rules. Town Administrator Fournier replied that if the Committee members already had a book, he would provide an amendment if any changes were made.

**Adjournment**

Mr. Lang made a motion to adjourn the meeting and Mr. Smith seconded. The Budget Committee meeting was adjourned at 6:54 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary