**TOWN OF NEWMARKET, NEW HAMPSHIRE**

**TOWN COUNCIL, BUDGET REVIEW SESSION I**

**OCTOBER 25, 2014 8:30 AM**

PRESENT: Council Chairman Gary Levy, Council Vice Chairman Dale Pike, Councilor Dan Wright, Councilor Phil Nazzaro, Councilor Toni Weinstein, Councilor Ed Carmichael

EXCUSED: Councilor John Bentley

ALSO PRESENT: Town Administrator Steve Fournier, Interim Finance Director Matt Angell, Recreation Director Jim Hilton, Police Chief Kevin Cyr, Water & Wastewater Director Sean Greig, Public Works Director Rick Malasky, Library Director Carrie Gadbois, and Library Trustees: Joan DeYoreo, Mary Ellen Mahoney, Rod Crepeau, and Chairman of the Library Trustees Sandy Allen

**AGENDA**

Chairman Levy called the meeting to order at 8:32 am.

**TOWN OF NEWMARKET PROPOSED OPERATING BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2016**

**Presented October 25, 2014, by Town Administrator Steve Fournier**

Brief Overview: Town Administrator Fournier first looked at where the Town was with respect to the economy. He stated that the Consumer Price Index (CPI) had stayed level for FY13-14. He next reported that the National Unemployment Rate was down 1.19% with Rockingham County at 4.8%, the State at 4.3%, and Newmarket at 2.9%. He stated that the estimated tax rate for FY14 was not yet set by the State, but projected to be 25.98%, and that the 10-year tax rate comparison for last year was 24.46%. Vice Chair Pike pointed out a math error in the 10-year tax rate regarding the amount of money raised by an additional dollar of taxation, which Town Administrator said he would address later. Chairman Levy felt that the biggest change had been the devaluation of the Town, and asked what this amounted to in dollars and cents. Town Administrator Fournier replied that it came to $0.23, which had been set in the March Budget. He stated that the 4.4% drop in the assessed value of the Town had resulted in a corresponding drop in tax bills due to property devaluation. Councilor Wright said that the focus was always on the tax rate, and though it had been graphed, they wanted to see real numbers going back 10 years. Town Administrator Fournier stated that there was a decrease in the current budget of 0.1%, after reviewing last year’s budget and making some adjustments. As a result, he was proposing a recommended budget of $9,598,694, which was an increase of 5.04%. He reported that the biggest increase was in the Enterprise Fund with a 15.4% increase in Water & Sewer, with $186,229 affecting the tax rate and $274,030 not impacting taxation but affecting the tax base. He added that all the Capital Reserve Funds, because the Charter Amendment did not pass, were included in the proposed total budget and would each need to be handled as separate Warrant Articles. He stated that the proposed FY16 budget included an increase in the General Fund of 2.6%, with Special Funds up 1.9%, and the Enterprise Fund up 15.4%, although the 3-year comparison had remained flat. He then broke down the budget by fund, with the General Fund comprising 68%, the Enterprise Fund comprising 21%, and Special Funds (Library, Recreation Revolving, Solid Waste) making up 10%. Town Administrator Fournier next broke down where the Increases were going. These included Worker’s Compensation partial payments, a new contract with the Town Attorney, and an increase in Police Equipment, which would be explained by Police Chief Kevin Cyr. Chairman Levy questioned whether the $5,000 increase in the legal bill for the year included any lawsuits against the Town. Town Administrator Fournier replied that this was not the case, but was a result of an increase in the attorney flat fee from $75,000 to $80,000. He listed other increases for vehicle maintenance, a new Senior Center Coordinator, a rise in the cost of oil for the Town, the Macallen Dam CIP, the upgrades to Route 108, and an increase in wastewater operations.

Town Administrator Fournier stated that he expected an increase in revenues used to offset expenses, as a result of increases in motor vehicle registrations, increased requests for subdivision building permits, and an increase in the Highway Grant due to the gas tax increase. Chairman Levy asked how much higher than anticipated the revenues had been, and Town Administrator Fournier replied approximately $300,000. Chairman Levy questioned why the estimated revenues from last year varied so much from actuals, and Interim Finance Director Matt Angell replied that not all revenues could be anticipated and that they could only ask the Council what to do with taxpayer money. Chairman Levy then voiced concern over the increase in tax rates with relation to the increase in revenues, as the revenue projected was quite high. Vice Chair Pike mentioned that the trend in new auto sales was starting to soften, and Interim Finance Director Angell replied that at some point they would begin to see a drop in Motor Vehicle revenues, with an average car replacement rate of 5 to 7 years. Town Administrator Fournier said the Town had been conservative with building permits and the $450,000 fund balance was included in the budget, as the policy stated they should budget out of the Fund Balance in advance. Councilor Nazzaro requested a breakdown of numbers showing where the $300,000 difference was allocated. Town Administrator Fournier next presented an *estimate only* of the Tax Impact to be 6.41% per $1,000 for the Town, if the current budget was approved as proposed, which amounted to a $0.10 increase from last year (6.31%). Chairman Levy asked whether the School fund balance for this year could be used like the Town fund balance. Interim Finance Director Angell replied that the School could retain up to 200% of their fund balance, and Town Administrator Fournier added that the School would just not raise the funds and the tax rate would not be affected. Lastly, Town Administrator Fournier explained that the Tax Impact, based on the Town portion of the tax bill for an average home value, would increase to $1,603 annually.

**POLICE DEPARTMENT**

Police Chief Kevin Cyr next presented an overview of the proposed Police Department Budget. He cited increases in (3) line-items over last year’s requests. The first was in the Gasoline line-item which increased from $3,000-$3,500, as the budget was over expended last year and he stressed the difficulty predicting changes in gas pricing. He stated that gallon-wise they had been able to cut back by assigning certain officers to certain vehicles and doubling up officers when possible. Vice Chair Pike questioned the fluctuation of prices over time, and Chief Cyr replied that it had been stable over the last few years. He stated that gallons used were down and noted the improved mileage of newer vehicles. The second increase was in the Equipment line-item, with an additional $12,000 requested to purchase body cameras for all the officers. This included a cost of $700-$800 per camera, plus $2,500 for a storage facility for the videos. Chairman Levy asked how long the videos would be kept in storage, and Chief Cyr replied that he was looking at the International Association of Chiefs of Police policies and comparing with other communities, as they currently had no data. He felt that using the videos would protect the officers, who are continually held to higher standards, and would protect the liability of the Town. He stated that each officer would be assigned one specific camera. Councilor Wright asked if the Town could save money buying units with other communities, by leasing, or by having the officers share the cameras. Chief Cyr felt that competition could possibly lower the price over time, but emphasized the reasons why each officer should have his own camera. Councilor Weinstein asked how the cameras would be used, and Chief Cyr replied that the officers would turn them on at the time of a call and that the cameras had the ability to go back by 30 seconds.

Chairman Levy then questioned the requested increase for Overtime in the proposed budget since the department had spent 4% less than budgeted last year. Chief Cyr explained that less was spent in court appearances last year and staff had been used in different ways enabling the schedule to be cut back. Town Administrator Fournier stated that the final budget included the transfer of funds which was approved in a resolution in March by the Council. Chairman Levy also questioned the increase for uniforms and Chief Cyr further explained that the increase in spending on uniforms was due to replacement of body armor every five (5) years, and that it had not be updated last year. Chairman Levy next brought up the costs for Criminal Investigations, to which Chief Cyr replied that they occasionally needed to send evidence out for testing, not to State labs, and that they had underspent in last year’s budget.

Police Chief Cyr stated that the third line item change in the Police budget was $3,000 for a drug and search dog, for which they had applied to the Working Dog Foundation for a grant. There would be no cost for the dog and veterinary expenses would be covered for one year. The dog would work and live with one of the officers and the training costs were already being absorbed in the budget. The increases requested would be for sustaining the cost of food and veterinary bills. Councilor Nazzaro questioned whether a reduction in costs for Dues/Memberships and Books/Publications was possible. Chief Cyr replied that dues were organizational and that perhaps a reduction could be made in Books and Publications. He felt that the proposed operating budget was pretty much level-funded and there was not much change, and felt he would prefer to cut the dog or the cameras rather than cutting individual line items. Vice Chair Pike questioned the 10% increase in Communications, and Chief Cyr replied that the increase in communication costs was a result of the sharing of individual police records in HUB and linking up with other communities.

Chairman Levy understood that flexibility in the budget was needed, but questioned whether the department could not budget closer to what was actually spent. Town Administrator Fournier pointed out that unlike a business, the bottom line for the Town could not be increased mid-year. Police Chief Cyr stated that every spring the Police Department budget was running over and that the department historically came in under their operating budget, which had remained stable within $10,000 for the past ten (10) years. Vice Chair Pike felt that the amount being requested to adjust was too small and not worth the effort. Councilor Wright said that he found the budget to be tight and consistent, but he felt that Dues & Memberships could be reduced to $3,200 which was closer to actuals. Police Chief Cyr replied that he would make that amount work. Chairman Levy asked what would happen if the department were not able to stay within the budget due to an emergency situation causing a huge loss. Town Administrator Fournier replied that he would find the funds in the budget or go to the DRA. Chairman Levy thanked Police Chief Cyr for his presentation.

**RECREATION DEPARMENT**

Recreation Director Jim Hilton presented the highlights of the proposed budget for the Recreation Department, for which there was a 4.98% increase. Town Administrator Fournier stated that 1.6% could be eliminated immediately for cost-of-living increase for salaries, as it had been removed from all the other budgets except this one. Councilor Nazzaro brought up that the general and revolving funds of the budget together saw a $50,000 increase between the gross proposed budget and actual expenditures of last year, which he questioned. Town Administrator Fournier clarified that the revolving fund was not taxation. Director Hilton stated that the budget the Town Administrator had proposed for last year had been dead-on at $214,000. Chairman Levy asked for the actuals from last year, and Director Hilton replied that $30,000 had been transferred to the revolving fund and that there were no actuals for comparison, adding that if Recreation Revolving did not bring in the money it would not be spent. Chairman Levy then questioned the increases in General Supplies and Printing & Publications, which had also gone up from the prior year. Town Administrator Fournier explained that the budget had been over-funded with $147,642 in salaries. Director Hilton stated that the biggest increase was because of a new position in the general fund, as a result of a vacancy left by the resignation of the Senior Coordinator due to health issues. He added that with the increase of $16,000, he proposed changing the position to that of Program Director which would allow a broader scope for putting programs together, increase revenues, and allow the Senior Citizen’s Center to be open five (5) days per week. He added that the position was to be a part-time position of not more than 29.5 hours/week with an increased salary but no benefits paid out, and that the position announcement was put out to many organizations. He stated that Training & Staff Development and Child Expenses had remained even-funded. Councilor Carmichael questioned the type of training and Director Hilton replied that this involved conference expenses and weekend specialized training. Director Hilton stated that Communications had gone up due to a new phone plan, but that subscriptions would save $2,000 in layout and design. He reported that the line item for Equipment & Maintenance had gone done slightly, that the Playground Equipment line item had been moved as the purpose was not revolving, and that he had put in for capital improvement to replace a young children’s playground. He next stated that the Sunrise/Sunset Program had been cut $3,000 and moved to the revolving account. The proposed budget for Training included one Tri-State New England conference for specialized training using local facilities at no cost, and one weekend excursion. He added that no overtime was involved as the Nationals come locally to the state. Director Hilton also stated that both input and output in the revolving fund were doing well, and that the increase in funding requested was to make sure funds were available for recreational lighting.

**WATER & SEWER DEPARTMENT**

Water & Wastewater Director Sean Greig next presented an overview for the proposed Water & Sewer Department. The budgets for Water and Sewer were discussed separately.

**Water**: Water & Wastewater Director Greig stated that a 15% Water budget increase had been planned, in part due to the MacIntosh Well, which included required Contract Services Testing to be performed. He stated that substantial testing would be required by the State due to the new water source, and that over time, as proof provided a lack of issues, the amount of testing could be reduced. There was also an increase in Bonds and Notes with the anticipation of the completion of a water line to the tank. Another large increase was seen in additional postage and general supplies for a transition to monthly billing, with the rest of the budget staying pretty close to flat. Chairman Levy asked for an explanation as to why gas was up, and Director Greig replied that it was LP Gas for blending and for the pump house for the MacIntosh Well. Chairman Levy also questioned why the amount for Chemicals had doubled, and Director Greig replied that this was also due to requirements for the MacIntosh Well, plus new facility construction. Interim Finance Director Angell pointed out that the chemicals were bought in bulk and the purchases could cross over into the next fiscal year. Chairman Levy then questioned the current year request of $45,000 for System Maintenance, as $45,000 had been budgeted last year but $55,000 spent. He also asked how the $10,000 difference was accounted for the prior year. Director Greig said that less had been spent in other areas, including $4,000 less in engineering, and that chemical costs were down, so that $2,200 to replace a hydrant could be covered. Councilor Carmichael asked for an explanation of the increase for Bonds and Notes, and Director Greig replied that the department paid construction interest on the MacIntosh Well and the new line to the tank, adding that they had budgeted money to cover both interest and principal costs. He said that next year a bond payment would be due on the MacIntosh Well plus the last payment on the water meters. Town Administrator Fournier explained that the department was paying interest on contractual investments, and that it had been planned and would not affect the water rates. Councilor Nazzaro asked why they were planning to move money to a Capital Reserve fund instead of just putting the cost in the budget. Town Administrator Fournier clarified that this capital reserve fund was just for water and was not included in the general budget. Councilor Wright asked for the number of employees in the Water Department and Director Greig replied that there were two (2) water operators, a half-time system technician, both the Water Director and himself at half time, and some staff for billing and collections. He added that a clerk/administrative assistant was shared with the Public Works Department. Councilor Wright asked for an explanation of the policy for Uniforms, and Director Greig stated that uniforms were worn daily, and the cost also included laundry services plus disposables. Chairman Levy asked whether Contract Services could be cut, and questioned budgeting $25,000 for Engineering, as much of the engineering should have already been completed. Director Greig replied that contract services were needed to cover water testing for the MacIntosh Well, and that historically the department spent around $22,000 for engineering and he would not recommend going below that amount. He explained that this included required gauging on ground-water levels and surface-water levels with flow-testing for the system, with lead and copper testing on a 3-year cycle. Chairman Levy asked that Engineering be reduced to $22,500

**Waste Water/Sewer**: Water & Wastewater Director Greig stated that the biggest increase in the Waste Water/Sewer budget was due to looking to fill another fulltime position for a wastewater treatment Plant Operator at the new facility, who would also handle collection system operations and maintenance. Chairman Levy asked whether the position could be part-time and Town Administrator Fournier explained that they had originally planned to hire two (2) separate individuals but decided to combine both in one position. Chairman Levy then questioned whether other companies could be used on a contractual basis which might reduce costs, and Director Greig replied that he could look into the issue. He added that he had twice tried to hire someone to clean the system with $16,500 budgeted for a part-time person, but he had been unable to fill the position and that salary would be eliminated. Town Administrator Fournier clarified that though the cost of the full-time employee would be $63,627, they would be saving $16,000 on the part-time position, with a budget impact of approximately $47,000. Councilor Carmichael asked about the system that collected the waste water, and Director Greig replied that there were two (2) pumping stations, 21 miles of gravity sewer, and 2 miles of gravity mains. Town Administrator Fournier reminded the Council that collections had been combined with plant operations as a cost-savings measure. Director Greig next addressed other large increases in Postage for the proposed transition to monthly billing, in Chemicals as more were needed in the wastewater system, and that $40,000 to $60,000 would be needed for a permit for the Non-Point Source Plan. He added that funds of $164,200 were being transferred to Capital Reserves, as the Capital improvement Plan had found deficiencies in collection system pump stations, and that improvements would be spread over three (3) years. With regard to Sludge, Director Greig described the anaerobic digesters used to decrease the total amount, the pressing of the sludge to remove water, and the offsite trucking of the 20% bio-solids remaining. He added that several issues had arisen with the digesters and the press resulting in sludge currently sitting in drying bins and needing to be hauled off. Councilor Carmichael asked if the costs would double as a result. Director Greig replied that he would be close to the $30,000 due to an issue with the oil used to heat the digesters, and that the system would be taken offline to prepare for an upgrade with some cost savings.

Chairman Levy brought up the increases in Salaries, with Health Care and Retirement costs rising, and Director Greig replied that the $16,000 saved in salaries would cover the benefit costs. In response to a question by Councilor Nazzaro regarding the drying beds, Director Greig that they would not be needed next year due to the new facility. Councilor Nazzaro then questioned increased Engineering costs and MPDS permits. Interim Finance Director Angell replied that the $24,600 included expended and encumbered costs, with bids at approximately $60,000 for next year for the non-point source plan for Newmarket only. Councilor Nazzaro also questioned the doubling of Advertising costs requested. Director Greig replied that as part of the new permit, they were required to provide education on fats, oils, and greases in the sewer line in regard to infiltration and in-flow of water. Vice Chair Pike asked whether email billing had been considered for the transition to monthly billing to save money on postage, and Director Greig replied he would investigate the issue. Councilor Wright asked for a rationale for the change to monthly billing. Town Administrator Fournier stated that it was easier to collect on smaller bills resulting in fewer shutoffs, and Director Grieg added that consumers could more easily monitor their actual water usage and that it would cut down on abatement requests. Councilor Carmichael questioned if principal on the Bond interest would remain flat. Director Greig replied that it would remain flat as they would pay the same amount every year, but that the interest would drop when substantial completion was reached, and if construction could start in July of 2015 and come to 90% completion by July 2016, they would not see the bill until the following year. Town Administrator Fournier added that during 2017-2018 the principal would increase from $102,000 to $516,000, and the interest from $29,000to $308,000. Councilor Weinstein questioned the $100,000 estimated for Projects, and Director Greig replied that it was for education for the Non-Point Source Plan (NPSP). Chairman Levy asked for a ballpark estimate on rate increases. Director Greig answered that it would be approximately $3,000, with $0.10 on the rate generating $15,000 in revenue, divided by two (2) cents. Councilor Nazzaro asked for the average home usage and Director Greig replied 42,000 gallons.

**PUBLIC WORKS DEPARTMENT**

Public Works Director Rick Malasky presented an overview for the Public Works Department budget citing an increase of 0.2%. He stated that in Administration there had been no major staffing changes and that General Supplies had gone up slightly reflecting what was actually spent. Councilor Carmichael questioned the difference in Overtime, and Director Malasky replied that it was mostly due to after-hours snow removal. Town Administrator Fournier added that schedule changes had been made last year to try to adjust for the overtime. Councilor Carmichael asked why the overtime was so high in 2015. Director Malasky replied that more roadwork was completed with contractors who worked later hours, and it was the first year they had started charging for detail work. Town Administrator Fournier added that the funds were expended from the line item here, but that this was offset by money received from the various associations for each detail event, and that the funds went into revenue and not the Public Works budget. Chairman Levy felt that in future it would be nice to include a line in the budget showing recoupment of funds so that the offsets could be seen, but as this was the first year no records were yet available. Councilor Wright questioned the cost for Uniforms as the requested $14,000 amounted to 3% of the total budget. Director Malasky replied that the costs included safety equipment and that a protection plan provided for any needed replacements. Councilor Carmichael questioned whether the Salary covered one (1) administrative assistant, and Director Malasky replied that the position was shared 80%/20% with Water & Wastewater Director Sean Greig, as mentioned previously. Director Malasky next addressed Roadways with a 0.65% increase. He felt that department needed to budget every year for a snowy winter, which included costs for salt treatment and paving. Town Administrator Fournier stated that the department could not afford the $345,000 costs, but that they were average for a community the size of Newmarket and did not include State roads. For perspective, Director Malasky compared the town of Stratham spending $600,000-$700,000 for approximately 44 miles of roads, to Newmarket with 55 miles of roads. Chairman Levy pointed out that Stratham had more traffic, but Director Malasky and Town Administrator Fournier replied that those roads were maintained by the State and they were referring only to side roads. Director Malasky added that Durham spent approximately $800,000, but bonded their payments. Councilor Wright felt they were basically reclaiming the roads, and asked for information on the amount of money needed for roads versus waiting. Town Administrator Fournier stated that he had already conducted such a study. Vice Chair Pike suggested that a plan should be developed reflecting the most efficient and reasonable maintenance, as the Town was not in a position to underfund roads. Town Administrator Fournier mentioned that this was a perfect example for using the fund balance for a one-time expenditure. Vice Chair Pike assumed that many roads could be shimmed without total reclamation. Director Malasky replied that prices on liquid asphalt had leveled off, but that the Town was headed toward total reclamation as they had not been funding the roads. Town Administrator Fournier explained that they tried to keep the fund balance between 5-10%, and he then suggested that some of the $714,000 fund balance could be used to create a Capital Reserve fund for roads as a savings account. He offered the idea that $200,000 put into such a fund for roads.

Public Works Director Malasky stated that paving was done by contractors and Councilor Weinstein said that if they waited for reclamation, the costs would increase and the roads deteriorate. Director Malasky explained that full reclamation was 65% more expensive, and that full reclamation included culverts, etc., with part of the work done by the Public Works Department. He added that some money came from the Transportation Fund and that other projects were coming up. He specified that 1 mile of full reclamation had been done and 1 ½ miles overlaid in the past year. Councilor Nazzaro said that in the past a Capital Improvement Plan (CIP) fund was used and asked why the CIP fund had been stopped. Town Administrator Fournier explained that the funds had been expended every year, and that the CIP Committee had decided that the fund was an “operating expense” and not a CIP plan. He further explained that a Capital Reserve Fund was a savings account, and suggested that as the fund balance was safe, $200,000 could be transferred to create a Capital Reserve Fund for roads, where it would remain if the funds were not completely used up. Councilor Nazzaro said that the UNH study should be turned into something feasible for Newmarket. Chairman Levy asked that a list of all roads needing total reclamation versus shimming be provided, stressing the need for a strategic road plan. Councilor Nazzaro recommended that the shimming be done first as it was less expensive. Chairman Levy reminded the Council that Town revenues had come in higher than expected and that Town Administrator was using $450,000 of the fund balance in the budget. Councilor Weinstein stated that the engineers in the UNH study had said other options were available. Chairman Levy asked Town Administrator Fournier to research the numbers for reclamation versus other options and provide the information to the Council for review so that the issue could be discussed intelligently. Town Administrator Fournier stated that since the funds were available this year, another $100,000 could be spent to offset the current proposed budget as a benefit to the taxpayer, while still keeping the fund balance within the correct range of 5-10%. He added that the extra $100,000 would reduce rates from $6.30/1,000 to $6.27/1,000. Chairman Levy asked for the total Town tax bill, and Town Administrator Fournier replied that it was $25.98. Chairman Levy voiced his concern that the tax rate could reach $26.00. Councilor Wright asked Public Works Director Malasky if he had been able to implement any cost savings at all for the department, adding that future costs for Newmarket were frightening and they could not keep buying down the budget. Councilor Wright also requested that each department document the total amount spent versus total amount of savings, and include any planned implementation to reduce costs to the Council. Vice Chair Pike asked what the impact might be if the department had one (1) fewer truck, and possibly adjusted the plowing frequency with less cycle time. Director Malasky replied that he did not have that data but that other towns replaced vehicles with even lower mileage. Councilor Wright suggested that the tools were not readily available for study or evaluation, and that a format was needed.

Councilor Weinstein asked for an explanation of Tree Service and its costs. Director Malasky replied that this covered tree work that the Public Works Department could not do, such as larger trees, and that outside tree companies needed to be hired to handle the difficult work. He added that the budget for this had been increased and that typically the funds were spent yearly. Councilor Weinstein questioned Engineering costs and Director Malasky replied that this was for the new MS4 they were working on, for which funding started last year and was continuing. Town Administrator Fournier explained that the MS4 was stone water runoff which was different from the storm drain Non-Point Source Plan for the Water & Wastewater Department, adding that he tried to combine the two as much as possible. Director Malasky stated that it had been recommended to him that $25,000-$30,000 be planned for this item. Chairman Levy asked whether the mowing of the Wilson property was necessary, as the Town was considering other potential uses for that property. Director Malasky replied that the property needed to be maintained as a field to increase the value and make it easier to sell, and that mowing was only done once yearly with the total of one 12-hour day. Director Malasky next addressed Street Lighting which included every street light in Town plus ornamental site lighting. Councilor Nazzaro asked whether increases in electric rates had been predicted. Interim Finance Director Matt Angell stated that the current contract would be ending in December, and that an increase would max out the budget for every electrical line item. He added that the Town was trying to be included in a combined group with other Seacoast communities. Chairman Levy asked whether it was the general rule to “re-up” with a company, and Interim Finance Director Angell stated that this was called the default rate. He added that they were already looking into the next contract and whether or not to change the provider, who needed a 60-day notification before end-of-contract.

Public Works Director Malasky next addressed Buildings and Grounds stating that there were some increases here, mostly due to electrical costs, heating, and building maintenance. Chairman Levy asked why Part-Time Salaries had gone up so much from actuals, and Director Malasky stated that no staffing changes had been made. Chairman Levy asked whether the budgeted amount could be lowered. Interim Finance Director Angell explained the requested amount for full-time salaries last year had not been approved which had resulted in an increase, but that part-time salaries were lower, and he gave a breakdown of the number of employees. Chairman Levy requested that part-time salaries be reduced and Town Administrator Fournier recommended lowering the budget request of $88,000 to $80,000, with an $8,000 savings. Chairman Levy then questioned the requested budget for the Community Center as actuals for 2014 had only been $3,204, and asked whether the amount could be lowered to $4,000. Director Malasky replied that work needed to be done, and that reducing the amount could result in cuts in some services. Town Administrator Fournier recommended that a reduction to $7,500 be made. Councilor Nazzaro questioned why no money had been spent for the year under Mosquito Control, and Director Malasky replied that they had not yet received the bill for the spraying but that it should be approximately $20,000 with another $5,000 for surveillance. He pointed out that funds needed to be available in case of an outbreak, and that a cushion was needed. Councilor Nazzaro asked why a cushion was always built into the budget, and Town Administrator Fournier stated that State law required an annual allocation be stipulated. He added that a Contingency fund would be too cumbersome for the Town and not worth the effort as two (2) approvals would be needed. The Council agreed to reduce Mosquito Control by $5,000.

Public Works Director Rick Malasky then addressed the Cemetery line item, which had remained stable. He added that a request had been made to the Town Administrator to replace a 10-year-old mower which was turned down, but that the money had been found. Councilor Wright asked if the mower could be used elsewhere and Director Malasky replied that the mower had to remain at the cemetery. The next line item addressed was Vehicles, and Director Malasky stated that last year the budget for vehicle maintenance had been cut from $40,000 to $20,000, and that the current request was not an increase but an attempt to re-align the requested amount with what was needed for preventative maintenance and repairs and included a FEMA reimbursement. Chairman Levy asked if any cuts could be made in equipment, and Director Malasky that a drill press and jacks needed to be purchased, with the drill press alone costing $1,500. Director Malasky next addressed the Solid Waste line item which the Town Administrator had reduced by 0.1% by eliminating equipment. Councilor Wright asked whether the Hazardous Waste bill had been received, and Director Malasky replied that it was approximately $8,000. Chairman Levy asked why the increased cost for Dues, and Director Malasky replied that the costs included spring cleanup. Councilor Carmichael noted that General Supplies were down, yet a $5,000 increase was being requested. Director Malasky replied that this line-item generally had $20,000 but that it had been cut back last year by the Town Council, and that they would receive $5,000 in revenue from recycle bins and municipal trash bags. Chairman Levy asked if it could be cut closer to actuals, but Town Administrator Fournier said that actuals for FY13 had been $22,000 and he would not recommend any cuts. Chairman Levy then asked if Subscriptions could be cut and Director Malasky replied that it covered their membership in the NRAA for getting rid of metals, but that perhaps the $40,000 allocated for spring cleanup could be reduced to $35,000. Chairman Levy felt that it needed to be made clear what could and could not be left out for pickup, and Director Malasky replied that he had ideas for making changes. Town Administrator Fournier reminded the Council that fines could be assessed on the Town, and that as a member of the Lamprey Co-op, tipping fees were set and could not be cut.

**NEWMARKET PUBLIC LIBRARY**

Library Director Cary Gadbois then presented the proposed budget for the Newmarket Public Library, in general requesting a 3.39% increase over last year. She stated that increased costs were mostly for building maintenance and that a line item had been added for State Unemployment which equaled 1/3 of the increase. Town Administrator Fournier explained that the rules governing the library were different from every other department, and though the line items could be questioned by the Council, only the Library Trustees could determine the amounts. Councilor Nazzaro asked how unemployment had been covered up to now, and Town Administrator Fournier replied that the Town had been absorbing the costs which were now in the library budget. Councilor Nazzaro asked for the actual expenditures for FY13. Library Director Gadbois stated that right now they were on target for spending the entire budget requested. Councilor Nazzaro then raised a question regarding the $37,000 over-expenditure by the library in FY14, and Director Gadbois replied that the former Library Director had retired and the bulk of the over-spent funds was for her retirement. Interim Finance Director Angell added that the Trustees of the Library had authorized two (2) over-expenditures in the prior year to dip into the fund balance and that he was trying to represent what was spent through taxation. He added that the reasons had been for retirement services and replacing the library server, and that anything not spent remains in the fund. Director Gadbois stated that Building Maintenance increased due to needed library maintenance that had been deferred, plus regular maintenance of shoveling walkways, and keeping the handicap access ramp clear. She added that the library was being cleaned more often and this was contracted out. Councilor Nazzaro asked whether some of these services could be shared with the Town, and Town Administrator Fournier replied that the Town provided some assistance but that the library was a separate entity, and that the library was responsible from the walls in and the Town responsible from the walls out. Councilor Weinstein asked why there were such large fluctuations in building maintenance numbers and asked if there were other projects or if the maintenance was just general. Director Gadbois replied that this included the servicing of the library furnace, wiring, and plumbing, adding that maintenance costs added up quickly. She said that part of the increase last year was due to the exterior painting of the library and the installation of Plexiglas over the windows. Councilor Weinstein asked if the CIP plan had been the source of the funds and Interim Finance Director Angell replied that the unreserved fund balance had been used toward building maintenance capital improvements. Councilor Wright asked if a maintenance plan could be set up to keep costs steadier and felt that all Town building should have such a plan. Vice Chair Pike asked whether the roof could be guttered, and Director Gadbois replied that the roof had been guttered, but that heating in the winter caused water to pour off the roof and freeze which resulted in ice damming and increased the need for shoveling to keep the special access ramp clear.

Councilor Wright asked whether adding an awning over the ramp had been discussed, and Chairman of the Library Trustees Sandy Allen informed the Council that the issue had been looked into but found not to be appropriate. She added that it did not really address the problem and was not aesthetically fitting as the Library was an historical building. Chairman Levy recommended the possibility of adding foam and insulation inside the ceiling of the building in areas where the damming was the worst. Library Trustee Chairman Allen agreed to look into the matter. Councilor Nazzaro asked Interim Finance Director Angell what projects were included in the Library Capital Reserve Fund. Interim Finance Director Angell replied that there were none, and that there was also a fund available to the Library Trustees. Chairman Levy next brought up Salaries questioning actuals versus requested amounts, noting a significant increase in part-time salaries for this year. Director Gadbois stated that the $113,000 requested included filling all vacant positions. Interim Finance Director Angell stated that they were almost at the final budget, which was approximately fully spent. Chairman Levy mentioned the large increase in Health Insurance, and Director Gadbois replied that she may need to take the benefits this year herself. Town Administrator Fournier said that buyouts by the Town encouraged employees to go with the spousal health insurance. Councilor Weinstein questioned the rise in the budget from $309,000 to $373,000 and Director Gadbois replied that the correct amount should be $337,225. Town Administrator Fournier reminded the Council that the library had the ability to over-expend funds by using unspent fund balance. Councilor Nazzaro said the money was being cut everywhere and yet the roads were not being paved, but that the Library was up $40,000. Library Director Gadbois replied that this was due to the library having just filled all the positions left vacant the prior year.

**CLOSING COMMENTS**

Chairman Levy stated that the Council had saved approximately $20,000 during the session. Councilor Weinstein added that the review session had been worthwhile.

At that time the trustees of the library who were present at the meeting introduced themselves to the Council. Chairman of the Library Trustees Sandy Allen commented that Library Director Gadbois was doing a wonderful job, circulation had increased quite a bit, and the Library was a happy, busy place.

**ADJOURNMENT**

The meeting for the first budget review session was adjourned at 12:50 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary.