**TOWN OF NEWMARKET, NEW HAMPSHIRE**

**BUDGET COMMITTEE**

**September 28, 2015 6:30 P.M.**

**TOWN COUNCIL CHAMBERS**

MEMBERS PRESENT: Chairman David Foltz, Craig Dionne, Dan Hill, Meg Louney-Moore, William “Blue” Foster, Michael Lang, Daniel V. Smith, Jeff Raab

EXCUSED: Vice Chairman Michael “Mickey” Burns, School Board Rep Gail Durocher-Wentworth, Town Council Rep Larry Pickering

**AGENDA**

Chairman Dave Foltz welcomed all present to the Budget Committee meeting of September 28, 2015 and called the meeting to order at 6:32 pm, followed by the Pledge of Allegiance.

**Attendance:** Chairman Foltz announced that Larry Pickering had resigned from the Budget Committee as the Town Council Representative at the last Council meeting. He said that currently there was no Town Council Representative but that one would be elected at the next Town Council meeting. He said he would follow up with the others.

**OLD BUSINESS**

**Approval of the Minutes of August 24, 2015**

Mr. Smith made a motion to approve the minutes of the meeting of August 24, 2015, which was seconded by Mr. Lang.

As there were no revisions or corrections, the Committee voted in favor of the minutes of August 24, 2015 by a vote of 8-0.

**Approval of the Minutes of September 8, 2015**

Mr. Dionne made a motion to approve the minutes of the Special Meeting of September 8, 2015, which was seconded by Mr. Raab.

As there were no revisions or corrections, the Committee voted in favor of the minutes of September 8, 2015 by a vote of 5-0, with 2 abstentions.

**NEW BUSINESS**

**CIP Committee Update – Dan Smith**

Mr. Dan Smith provided an update on the Capital Improvement Program (CIP) committee meeting and gave an overview of the departmental funds requested. He said the timeline for the School was a little unclear as the School Board needed to complete their work first. He stated that Police Department radios needed to be replaced because the units were obsolete, per Police Chief Cyr, and replacement parts were not available. He added that it was also a large expenditure on their part. He said that the membrane roof at the Department of Public Works building had a lot of small holes and was leaking, which could be partially attributed to the heavy snowfall. Mr. Raab asked about FEMA funds and Chairman Foltz replied that they had only received a small amount for snow removal. Mr. Smith next addressed the estimated $250,000 cost for replacing the boiler in the downstairs bathrooms, and said that Public Works Director Rick Malasky had estimates to back up the amount requested. He said that the expenditure for the Macallen Dam was not immediate, but that Public Works Director Malasky wanted to start putting money away. He said that the $1.3-$1.4 million cost was a rough estimate until it was determined if the pylons on either side of the dam were stable.

Mr. Smith reported that Storm Water Management was also a longer-term item. He said that Public Works Director Malasky wanted to put it in the budget as both current systems were antiquated, though he believed their lifetime could be extended. Mr. Smith said that he was not sure how the Water & Sewer fund balance related to the special project for the MacIntosh Well. He said that the pump station equipment at both the Bennett and Sewell Wells was very old and the stations had flooding issues which tended to short out the electric panels. He said that Water & Sewer Director Sean Greig felt that the pumping stations were not safe to work in during a storm due to the wiring, and that both needed Code & Life Safety improvements. He said that Water & Sewer Director Greig also wanted to get the development of the Tucker Well included now as an advanced priority, as he felt the Town would be in the same situation in a few years even with three (3) wells.

Mr. Smith reported that the Municipal ERP System was very old and was about to become unsupported by the vendor. He said they were contemplating moving from an own-it model to a licensing model. He said that the Library had only a few items that were large enough, but that Recreation had put in some interesting requests. He said Recreation Director Jim Hilton had also pointed out that the Recreation Department was mostly self-sustaining in terms of revenue coming in. Mr. Smith stated that he had covered the high points so far, but that Town Planner Diane Hardy had since received a few more requests. He said that the numbers requested from the various departments were sobering, as they were things that had been lingering for a long time, but that Department Heads were trying to bring their proposals to the forefront to begin planning for them in the future.

Discussion: Mr. Raab asked if there were any dependencies between the Police Department requests for radios and dispatch service requests, and Mr. Smith said that the issue had not come up at the hearing. Mr. Foster asked if the Department Heads were talking about using funds or were looking for taxation down the road to pay for these requests. He said he was concerned that the funds would be depleted down to pennies on the dollar and felt if the CIP members wanted to keep a flat budget, taxes would be needed if the funds were not available. Mr. Smith said that the CIP Committee would be going over the requests one by one and voting on them and pointed out that most of the things were projected forward and would not be a 1-year hit. He stated that they were essentially trying to maintain the fund balances over some reasonable time horizon. Mr. Foster felt this was great, but he was also concerned about the paving of roads in the Town. He said that they had only put $125,000 in the fund for roads so far but that Public Works Director Malasky said he needed approximately $365,000. He asked when and where they would decide to increase the yearly amount. Mr. Smith replied that unfortunately they had not had time to talk before the CIP met with Department Heads due to the compressed timeframe, but he felt it would be good for the Town and the School to be able to voice their concerns first.

Chairman Foltz said that the biggest concern from the meeting of the department chairs was that the Town needed to do more with the roads and they were looking to add more to the fund. Mr. Foster said that Public Works Director Malasky was also looking ahead to extending the lifetime of the plows. Chairman Foltz said that with regard to road improvements, they were discussing a UNH survey to determine where assets needed to be placed and to more closely figure out the costs. He said that he had heard the cost to repaid most of the roads would be close to $450,000. Mr. Raab asked what the effect of the CIP committee vote would be with respect to the dollar figures. Mr. Smith explained that the CIP was basically an advisory body to the Town Council, and in a less official role to the School as well. He said that the CIP had to exist for a statutory reason, so that the Town could use Impact Fees for some of the funding. He said it was then up to the Town Council to accept, reject, or modify what was recommended by the CIP, and then be approved by the Budget Committee. He said that what the Council actually put in the budget for last year was pretty much what the CIP had put forward. Mr. Hill pointed out that the bottom line was where they tried to stay to maintain a flat budget.

Chairman Foltz thanked Mr. Smith for providing the details of the CIP to the Budget Committee, and said he was pleased to see the forward thinking of the Town. Mr. Smith said that the CIP had to make their recommendations to the Town Council by October 1st, and that the Town budget had to be completed by October 15th and presented to the Town Council.

**Town Final FY15 Financials**

Chairman Foltz reported that the Town had a fund balance for FY15 of approximately $79,000, compared to approximately $500,000 two (2) years before. He said the balance had shrunk due to the Town budgeting a lot closer to actual expenditures. Mr. Foster also pointed out that this was due in part to not using the fund balance to buy down the tax rate.

**Update on School FY15 Financials and Fund Balance**

Chairman Foltz reviewed the estimated tax impact he had received from School Business Administrator Christine Blouin. He said the School had finished the year at approximately $643,000. He pointed out the *Fund Balance to Reduce Taxes* figure of $493,536 and the *Retained Fund Balance*, which was highlighted above that. He said the School Board had voted in March to take $100,000 for one fund and another $50,000 for a tech fund, and that the *Retained Fund Balance* was highlighted as they could now add up to a certain amount from the Contingency Fund which had not yet been discussed. He said depending on what they decided to pull out would be the tax rate. He said that this meant that now a 41-cent tax rebate would be going back before their fund balance, and that a chart of possibilities was listed on the report under *Fund Balance Retainage Tax Impact*. He said he did not have all the details field by field, but this at least gave them an idea where the School had finished for the year. He said they would have a final update in October after the School Board voted, pending the School Board not acting on the fund balance.

Discussion: Mr. Raab pointed out that the tax impact was based on prior-year numbers and that the valuation was not yet know. Chairman Foltz said this was the first year they would be able to pull from the Contingency Fund and felt sure that they would.

Chairman Foltz announced that the Department of Revenue Administration (DRA) had approved the emergency expenditure for the MacIntosh Well.

**Review Budget Timeline – Town and School**

Chairman Foltz reviewed the schedule for the rest of the year. He said that Town Administrator Fournier had to present his budget to the Town Council by October 15, 2015 and the Council would then need to go through the budget and present it to the Municipal Budget Committee by November 15, 2015. Chairman Foltz said that he had set November 23rd and 30th to meet with the Town Council to go through all the department budgets line by line. He said that as of now, December 7th had been set up for School Business Administrator Blouin to present the School budget to the Budget Committee, with a tentative second date on December 21st. He said that the Public Hearing for the Town budget had been set for December 14th. Chairman Foltz said that a tentative meeting was scheduled for January 4, 2016, with January 11th the last Monday for the School Public Hearing. He said that all warrant articles would need to be received by the Budget Committee by January 19, 2016 and any bond hearing had to be 20 days before the Public Hearing, which was the deliberative session. He said the School had to get their budget to the Budget Committee by November 23rd, and that the Town Budget had to be posted by the end of December.

**Review of 2015 Budget Committee Meeting Calendar**

Chairman Foltz said the two sessions to review the Town budget were set for November 23rd and 30th. He said some of the sessions were 3 hours long, though the second session might run shorter.

**Attendance for Remainder of the Year**

Chairman Foltz said that any members that were out-of-town during the sessions could do a call-in. Mr. Dionne said that he would be out-of-town on December 7th.

**Process for Requesting Further Information from the Town or School**

Chairman Foltz stated that there some incidents had come up last year and he wanted to make sure they did not come up again this year. He said that if they had any questions for Department Heads, Town Administrator Fournier, or School Business Administrator Fournier they should try to do this at the Public Forum. He said that if there were questions for any members after the Public Hearing, they should send them to Town Administrator Fournier and copy them to himself and Mr. Burns, as the Town Administrator wanted to funnel the information.

**OTHER BUSINES**

**Next Meeting**

Chairman Foltz asked for a motion to cancel the scheduled the October 26th Budget Committee meeting, as there would be no numbers available for review before November.

Mr. Hill made a motion to cancel the Budget Committee meeting scheduled for October 26, 2015, which was seconded by Mr. Dionne. The Committee approved the motion unanimously, and the meeting was cancelled.

**Adjournment**

Mr. Lang made a motion to adjourn the meeting and it was seconded by Ms. Louney-Moore. The Committee approved the motion unanimously, and the meeting was adjourned at approximately 7:05 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary