

**TOWN OF NEWMARKET, NEW HAMPSHIRE
MUNICIPAL BUDGET COMMITTEE MEETING**

December 16, 2024

TOWN HALL AUDITORIUM

Approved January 8, 2024

MEMBERS PRESENT: Chairman Christopher Wolfe, Vice-Chair Brian Rowley, Ned Carpenter, Tim Chiou, Danielle Honan, Cris Blackstone, Brian Hickey, School Board Rep Dan Smith,

MEMBERS EXCUSED: Scott Foster

MEMBERS ABSENT: Justin Looser, Town Council Rep Brian Ward

ALSO PRESENT: Town Manager Steve Fournier, School Superintendent Todd Allen

Chairman Chris Wolfe welcomed everyone to the December 16, 2024 Municipal Budget Committee Meeting and called the meeting to order at 6:35 pm, followed by the Pledge of Allegiance.

PUBLIC FORUM

Chairman Wolfe opened the Public Forum at 6:36 pm; seeing no members of the public present, he closed the Public Forum at 6:36 pm.

NEW BUSINESS

Town FY2026 Proposed Budget – Questions

Town Manager Steve Fournier addressed the questions sent by Budget Committee members and asked that they forward any further questions.

Question 1: Give more detail on Town Manager Contracted Services: Town Manager Fournier said the Town is doing a study of our Firefighters, new bunk facilities give more leeway with staffing the department; town of 10,000 residents with only 2 FT firefighters and 50 volunteer staff. He said the study will look at strengths and needs of the Fire Department to determine appropriate staffing.

Question 2: Contributions to Capital Reserve Funds. Sidewalk Capital Reserve Fund for sidewalk repairs and replacement of sidewalk for estimated cost of \$116,000 to be done in FY2027.

Question 3: Explain increase in hourly rates for Police staff and what increased funding will provide with Police Department Budget increase of \$115,984 (5.2%). Town Manager Fournier said the \$115,984 was already in the CBA 2 years ago and still has to be included; the Amendment for \$294,000 is just above and beyond to make salaries more competitive; Police Department is down by 5 officers.

Question 4: Fire Department Capital Reserve: Explain why leasing is used and why it is in the Budget and the Capital Reserve Fund. Town Manager Fournier said leasing is preferred due to cost of equipment; by the time we put the money in the capital reserves the cost of the item has gone sky-high. We use the Capital Reserve Fund with additional funds in there and at some point, take them out and put them in the Operating Budget.

Question 5: Details of 15% increase in Legal fees: Town Manager Fournier said the amount has been the same since he started in 2012; have a Town Attorney on retainer and pay a flat rate rather than paying hourly; beneficial for staff with unlimited legal access.

Question 6: What happens if the \$2.5M Grant is not awarded for the Bay Road Force Main and Pump Station \$5.5M project. Town Manager Fournier said if the proposed \$5.5M loan is approved in March, the Town will secure a \$100,000 grant with 100% forgiveness for planning the force main and a \$554,000 loan at 20% forgiveness for the actual payout. Additionally, the Town has applied for a Congressional Direct Spending Grant: currently in House Budget (not Senate Budget) for \$1.1M in congressional spending, typically funded in April; also plan to apply for State Revolving Fund Loan in June for \$1.1M to be awarded in September. He said if the Bond passes and grant funding is not awarded, the Town will hold off until additional funding is received.

Mr. Carpenter pointed out it says a \$2.5M grant, not \$1.1M, and asked if there are 2 grants for \$1.1M. Town Manager Fournier said only one, but they are anticipating other grants. He said the Bond is a large amount and withdrawal depends on grant funds received through congress. Chairman Wolfe said the Town will then be repaid after making the commitment.

Chairman Wolfe said any further questions can be submitted before the next meeting on January 6, 2024.

School FY2026 Proposed Budget – Questions

Question 1: Student & Staffing Ratios for Newmarket School: Superintendent Todd Allen showed school staffing patterns for the last 3 years: 2024-2025 K-2, 15.3; Grades 3-5, 18.3; Grades 6-8, 18.7; 2025-2026 K-2, 117.2; Grades 3-5, 20.1; Grades 6-8, 18.5. He said the numbers go up and down regularly and the Board does not want to make reductions too rapidly that impact programs, which need to be run regardless of number of students. He said Counseling rate is 1 per 300 kids with 1 Psychologist in each building.

Question 2: Average cost per pupil for K-2 Education in New Hampshire: 2022-2023 \$20,323, +4.8% from previous year, higher than national average of 15.825%. Superintendent Allen said if you take the number of students and divide by total budget you arrive at \$28,080/student, but that is not how the per pupil cost is calculated. He said the State first removes all transportation costs, tuition costs (career tech or out-of-district placements), and all Food Service revenues and costs to determine cost per pupil; Newmarket is roughly 12% more than State average.

Superintendent Allen said Newmarket does have a Bond of \$39M for the School Project with an annual payment of \$2.1M, 10% of total budget, taken on at a time when no State aid was available for building projects, with a Bond cost of \$2.1M every year, divided by number of students, equals \$2,150 per student more over state average. In addition, identified significant Behavioral Health needs during pandemic requiring additional staffing, and used ESSER funds to create new positions.

Question 3: Mental Health Grant for \$750,000 to support SEL. Superintendent Allen said the grant has already been awarded and we will receive up to \$250,000/year over 5 years to support school-based mental health services and MTSS-B (Multi Tiered Systems Support) development, creating more mechanisms to address emotional and regulatory issues with \$165,000 for first year. Funding from Federal DOE partnering with New Hampshire and Seacoast Mental Health; requires us to hire 1 fulltime Clinical position and provides coaching to staff; had to be a 5-year process to be accepted. Will probably include programs at the elementary level which may be continued.

Question 4: Student Services question regarding number of Special Education students. Superintendent Allen reviewed Newmarket and State numbers over the same period; pattern is virtually identical. Had a flattening off pre-pandemic with State low of 29,195 then up to 32,019 (14% increase), with student enrollment over that period for State dropping to 165,082. He said there is a consistent pattern of declining enrollment going back 10 years; Newmarket dropped about 6.4%, State 7.4%.

Superintendent Allen said many students leaving our district are going to other public options (charter schools); if they have IEP, we are providing the services, and School has budgeted \$75,000 just to cover IEP. The number of students who left the public sector before the pandemic has not bounced back; 9,000 left and 1,000 returned. In response to a question about a particular demographic of students needing services, said a significant chunk were K1-2 students needing social-emotional regulation; also increase in kids with a specific learning disability and more students needing help to get back on track. He said something started to change in 2017 before the pandemic with a sudden drop in 2020 and a drop of kids in school.

Question 5: Student Services cost per student: Superintendent Allen said out-of-district placements for 2025-2026 are budgeted at \$1,159,227, with cost per student \$37,870 at 21% of students, addressing a single number of kids; in 2023 the State changed the law that kids need to be serviced until age 22 with more expensive placements. He said there are now 80 students 22 years and older across the State accessing public education for about \$4M. Also, students eligible in Newmarket but attending charter schools receive Special Education services funded by the district.

Chairman Wolfe said when you run the math and come up with these averages, we do not know the granularity; if \$1M of the budget is serving 2 or 3 students only, that is important to be able to understand. He said instead of State funding, they put it down to the town to take care of and the underlying details are important for understanding. Mr. Smith said the School Board appreciates the level of involvement, but it has to be evasive to protect the confidentiality of the students.

Superintendent Allen said there are many factors playing into this which are due to Newmarket's uniqueness: level of bond undertaking, Town revaluation, and State Aid remaining flat. He said for State Special Education Aid Funding, or Catastrophic Aid, \$50.3M was submitted for reimbursement but only funded at 68%, leaving \$16.4M to be absorbed locally, increasing per pupil costs about \$6,000; change extending age of special services to 22 years added \$2,377,870.

MEETING MINUTES

Chairman Wolfe said minutes will be reviewed at the next meeting, January 6, 2025.

OTHER BUSINESS

Chairman Wolfe said January 16, 2025 will be the date to reconsider.

Municipal Budget Committee Meeting
December 16, 2024

Next Meeting: January 6, 2025, Public Hearings Town and School; January 13, 2025 Budget Committee vote on Town and School Warrants

ADJOURNMENT

Mr. Carpenter moved to adjourn the meeting; seconded by Ms. Blackstone: all in favor 8-0.

Chairman Wolfe adjourned the meeting at 7:03 pm.

Respectfully Submitted,

Patricia Denmark, Recording Secretary