

**TOWN OF NEWMARKET, NEW HAMPSHIRE
MUNICIPAL BUDGET COMMITTEE
PUBLIC HEARING**

January 6, 2025

TOWN HALL AUDITORIUM

Approved May 19, 2025

MEMBERS PRESENT: Chairman Christopher Wolfe, Scott Foster, Ned Carpenter, Justin Looser, Tim Chiou, Danielle Honan, School Board Rep Dan Smith

MEMBERS EXCUSED: Vice-Chair Brian Rowley

MEMBERS ABSENT: Cris Blackstone, Brian Hickey, Town Council Rep Brian Ward

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

Chairman Chris Wolfe welcomed everyone to the January 6, 2025 Municipal Budget Committee Meeting for FY2026 Budget Public Hearings 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 6:37 pm; seeing no members of the public wishing to speak, he closed the Public Forum at 6:37pm.

NEW BUSINESS

Town FY2026 Budget Public Hearing

Town Manager Steve Fournier gave a quick overview of the FY2026 Town Council Approved Budget of \$18,634,219, 5.35% increase of \$946,388: General Fund \$748,852 (+7%); Special Revenue Fund \$92,701 (+5.54%); Enterprise Funds \$104,830 (+2.11%); Water & Sewer paid by rate payers. Proposed Budget by Fund: Special Revenue \$2,132,670 (12%); Enterprise Fund \$5,063,267 (27%); General Fund \$11,438,282 (61%).

Budget Increases going to: Human Resources \$182,923 (8%), Police Department \$115,984 (5.25%), Welfare \$5K for Rental Assistance, Assessing \$11K for software, Legal 15% increase, Street Lighting 12.7% increase due to electrical costs, Contract for Sidewalk Repair Capital Reserves \$80,000, Fire Department Study \$70,000 for future of department.

Estimated Tax Impact: Town Council Proposed FY2026 Budget \$18,634,219, less Revenues \$10,957,295, add Overlay \$150,000, add War Service Credits \$145,000; Net Town Appropriation \$7,971,926, divide by Assessed Value of \$1,713,850,837, multiply by 1,000 = Estimated Tax Rate of \$4.65.

Financial Warrant Articles: Town Manager Fournier said the Town is still an SB-2 for the Budget Committee with a traditional Town Meeting for Bonds scheduled for after the Deliberative Session. The Town is asking for 3 different bonds: (1) \$100,000 for Planning and Design of Bay Road Force Main Replacement from State Revolving Loan Fund with \$100,000 forgiveness; (2) \$5.5M Bond or Notes for replacing Bay Road Force Main and Pump Station, with \$2.5M potential Congressionally Directed Spending, remainder by rate payers; (3) \$1.4M Cushing Road and Lubberland Drive Stormwater Improvement Project, with \$360,000 principal forgiveness, or \$0.07 on tax dollar. Town Manager Fournier said there is also a Town Warrant for Amendment of Police Union Contract of \$295,000, or \$0.17 on tax dollar.

Chairman Wolfe said the Budget Committee reviewed the Town proposals and had several meetings dealing with extensive questions on the FY2026 Proposed Town Budget.

Chairman Wolfe opened the Public Hearing for the FY2026 Proposed Town Budget.

Questions: Mr. Carpenter asked for clarification of the \$70,000 for the Fire Department Study. Town Manager Fournier said cities of similar size have a fulltime Fire Chief with 24-hour coverage; Newmarket has 24 hours on and 40 hours off, with 2 fulltime Firefighters at the station, per diem firefighters from other communities, and volunteers. He said we need to look at the current structure, equipment, staffing levels, and make sure people are in the right positions; the Town is covered for EMS and Paramedic calls. He said we need a comprehensive study of the Fire Department providing us with a roadmap for the future.

Chairman Wolfe questioned that some of the money is going to the facility itself; Town Manager Fournier said they have already done the facilities and that is why per diems can be used. He said they may stop providing paramedic services for ambulances which is not beneficial to the Town; a larger municipal agreement is needed, and Newmarket does not have the staffing.

School FY2026 Budget Public Hearing

School Superintendent Todd Allen reviewed the School District Warrant Articles:

Article 1: Election of Officers. Openings for District Clerk, District Moderator, and 2 School Board members; application period January 22 to January 31, 2025.

Article 2: Newmarket School District Operating Budget. Raise and appropriate \$28,311,594; if defeated Default Budget is \$28,261,333. Special note on Warrant: Total Operating Budget will be offset by estimated Federal Grant revenues of \$400,000 and an estimated \$470,229 in local, State, and Federal Child Nutrition methods, for net balance of \$27,441,365 with \$870,220 not raised by taxes; resulting in \$0.62 increase over previous School Tax Rate of \$13.34, with new tax rate of \$13.96; if defeated tax rate will be \$13.96. Increase of 1.97% includes everything except new Teacher Contract.

Superintendent Allen said 2/3 of the total is for salaries and benefits; the School also has a Bond it is paying on, which is about 7.5% of our total budget. The School renegotiated Service Contracts (notably Custodial), made staff reductions of 2.58 FTE across the system, and are making a Healthcare Plan change with significant savings. Remaining Warrants are contributions to Trust Fund Accounts. He said the School is

trying to budget closer to immediate needs with 1.97% increase this year with about 4% additional for Teachers Contract.

Article 3: Proposed NTA Contract. Approve the 4-year contract between Newmarket School and Newmarket Teachers Association, all salaries and benefits at current staffing levels: FY2025-2026 estimated increase \$697,797; FY2026-2027 \$706,557; FY28-FY28 \$686,755; FY28-FY29 \$509,208; further to raise and appropriate \$697,797 for upcoming fiscal year; estimated tax impact \$0.41. Represents 109 district staff, will make Newmarket more compatible, provides 3% COLA and added longevity bonuses. Back to Operating Budget: add \$697,797 to \$539,000 budget total increase for about \$1.2 M or 4.4% increase.

Superintendent Allen said the School will be starting a new Healthcare Program with Harvard Pilgrim, redefined workday to full 7.5 hours, and are trying to build a collaborative professional culture. New Standing Committees: Employee Handbook, Health Benefits Committee, and Teachers Curriculum Stipend Committee. Chairman Wolfe asked the portion related to benefits and the portion related to salaries. Superintendent Allen said probably three quarters is salary and the rest is benefits. He said we are also adding another column on the scale to motivate more teachers to pursue advanced degrees.

Article 4: Defeat of Article 3. If Article 3 NTA Contract is defeated this authorizes the governing body to call one special meeting to address Article 3 cost items only, at its option.

Article 5: CIP Reserve Fund. To raise and appropriate \$200,000 to be added to the School Improvement Capital Reserve Fund; and further to authorize the use of this amount from the June 30, 2025 fund balance; no impact on taxation; CIP identified \$4.9M worth of Capital needs over next 20 years. Mr. Foster asked about the \$200,000 in the plan. Superintendent Allen said the School Board has to make that determination, if they feel the \$200,000 is available in the fund balance.

Article 6: Special Education Reserve Fund. To raise and appropriate \$65,000 to be added to Special Education Trust Fund for unanticipated special education expenses; and further to authorize the use of June 30, 2025 fund balance; no impact on taxes.

Superintendent Allen said for FY2026 the total for known out-of-district placement is budgeted at \$1,159,227, \$300,000 more this year due to drop in State Aid with \$200,000 less for the next fiscal year. This will push the fund to about \$425,000; currently at \$358,839, with goal to be able to fund one low, one middle, and one high-end placement.

Chairman Wolfe opened the Public Hearing for the School FY2026 Operating Budget.

Mr. Carpenter asked for an explanation on how the debt service affects the cost per student. Superintendent Allen said when you take the full cost of funding our School District, you start by removing out-of-district placement costs, transportation costs, food service costs and use what is left over to get the average cost. In Newmarket we have a substantial Bond for a one-time construction project, about \$2.1M yearly; divide that by 994 projected students for the next fiscal year, and it works out to \$2,120/child; looking at average per-pupil cost we have to acknowledge the Bond is part of the Budget.

Mr. Carpenter asked what that does to the average cost per pupil compared to the State average; Superintendent Allen said using 2022/23 data the State average was about \$20,000; Newmarket is at \$22,800, \$2,800 more than the State. Mr. Carpenter said it is important that the public understand the

bond has impact and will continue to have impact for the next 20 years. Chairman Wolfe said that is 7.5% of the Budget. Mr. Smith said though there is a small amount of State Building Aid available now, there is a current backlog of 20 projects and only 3 will be funded in the next fiscal year. Superintendent Allen said the theory is that CAT Aid is supposed to cover costs for out-of-district placements, SST tuition, and transportation but the funds have never existed.

MEETING MINUTES

Municipal Budget Committee Meeting of December 9, 2024

Mr. Foster made a motion to approve the Budget Committee Meeting Minutes of December 9, 2024; seconded by Danielle Honan; approved 5-0 with 2 abstentions.

Municipal Budget Committee Meeting of December 16, 2024

Mr. Smith made a motion to approve the Budget Committee Meeting Minutes of December 16, 2024; seconded by Mr. Carpenter; approved 5-0 with 2 abstentions.

OTHER BUSINESS

Chairman Wolfe said next week we have the Town and School Budgets and Town and School Warrants; each separately, with a roster taken on each vote. If they do not pass, we have January 16, 2025 for reconsideration; someone from the opposing group has to put forth the reconsideration request.

Sign-up period for new members is January 22 to January 31, 2025: 3 open seats.

Next Meeting: January 13, 2025 Budget Committee vote on Town and School Budgets/Warrants; January 16, 2025: Reconsideration

ADJOURNMENT

Mr. Carpenter moved to adjourn the meeting; seconded by Mr. Looser; all in favor 7-0.

Chairman Wolfe adjourned the meeting at 7:23 pm.

Respectfully Submitted,

Patricia Denmark, Recording Secretary