TOWN OF NEWMARKET, NEW HAMPSHIRE
MUNICIPAL BUDGET COMMITTEE MEETING

August 25, 2025

TOWN HALL AUDITORIUM

Approved September 22, 2025

MEMBERS PRESENT: Chairman Brian Rowley, Justin Looser, Cris Blackstone, Carl Blackstone, Scott Foster, School Board Rep Geoff Boyd, Town Council Rep Brian Ward

MEMBERS ABSENT: Danielle Honan

ALSO PRESENT: School Superintendent Todd Allen, School Business Administrator Bryant Lee

Chairman Brian Rowley welcomed everyone to the August 25, 2025 Municipal Budget Committee Meeting and called the meeting to order at 6:32 pm followed by the Pledge of Allegiance.

PUBLIC FORUM

No public comments.

Chairman Rowley noted that Tim Chiou has resigned from the Budget Committee and thanked him for his service.

NEW BUSINESS

Newmarket School Update:
School Superintendent Todd Allen started with the acknowledgement that Janna Mellon, previous School Board Business Administrator, had passed away suddenly. He said he was thankful that an old friend from Oyster River, Sue Caswell, agreed to step in and help; two weeks ago, Bryant Lee was officially approved as the new School Business Administrator. He said Janna was a very impactful and capable person and we feel her loss every day. She left the gift of a huge binder of procedures which will help guide us forward. He said Bryant was actually hired last March as Assistant Business Manager and he is an incredibly capable and talented person.

Mr. Lee said he will not be going over the School Q4 financials; just completed school year-end audit and are still finalizing numbers which will be provided once approved by the School Board and instead update the Budget Committee on recent School Board decisions that have affected school financing. The biggest was the Board's decision on FY24-25 Retained Fund Balance: in March 2022 Newmarket readopted RSA 198:4-b authorizing the School Board to retain year-end fund balance not to exceed 5% of current FY net assessment, the total appropriation raised through property taxes and other revenue: FY25-26 previous year total appropriation was $25.9 million, less $3 million Education Grant for total of $22.9 million.

Mr. Lee explained that Unassigned Fund Balance is money left over at end of the school year in our General Fund, not committed or restricted for a specific purpose, including any vacant positions not filled or revenues higher than anticipated. The Retained Fund Balance is that portion of year-end unassigned fund balance that the School Board can legally carry forward to next fiscal year, meant to serve as a safeguard and can only be used for legal purposes, needs State approval.

Mr. Lee said in Newmarket retained fund balance can be anywhere from 2.5-5% of net assessment (the $22.9 million): a 2.5% allocation would have been $571,000; maximum possible would have been about $1.2 million; Board voted this year to retain 3.75% or $856,843, a one quarter percent increase over last year, returned to the Town as part of unassigned fund balance. Net effect of decision will reduce projected unassigned fund balance this year by a little less than $90,000. School Board decision was driven by current operating environment, murky economic outlook for supply chain costs, tariffs, and variation in energy costs.

Mr. Lee said the school still has a potential liability of $129,000 related to an unresolved IRS issue from 2018. Superintendent Allen explained that in 2018 the IRS changed systems and documentation submitted by the School did not reach the correct person, though they have receipts to prove it was handled correctly; now in hands of Town Attorney. Councilor Ward asked if the fine was accruing interest; Superintendent Allen said they are accruing additional fines, but attorney says the school will win.

Mr. Lee said the School Board also voted to approve 2 expenses out of previous year FY24-25 Budget: (1) related to retirement, moving payments due July 1 into late June with $16,500 from next years budget to be reallocated; (2) completing second phase of window replacement project at elementary school: total cost of $255,000 originally intended to be financed by Capital Reserve Fund but Board elected to cover $89,250 using available funds from FY24-25 Operating Budget, leaving $165,750 in fund. These were related to State legislation that substantially altered the framework for pooled health insurance in New Hampshire. Newmarket returned to School Care with a 12.5% health insurance increase or an estimated $152,000.

Superintendent Allen explained that being in a “pool” of insured with other towns gets lower rates. He said the State changed the way pooled rates can be calculated and required insurance providers to carry a much higher cash reserve. It is a one-time thing, but original insurance was significantly cheaper. He also explained that the insurance market would be reduced from 3 providers to only 2 providers.

Mr. Lee said the last topic is Warrant Articles approved for contribution to trust funds. The School District has 5 trust funds: Insurance and Benefits Fund ($130,200); School Technology Fund ($152,000); Improvement Capital Reserve Fund ($1.53 million combining 2 funds); Special Education Trust Fund ($368,240); Utility Fund $27,000. For this current year School Board approved an additional $200,000 to Improvement Capital Reserve to finance CIP plan and maintain facilities over time. Main expenditures in current year to repair Jr-Sr High School roof, with $520,000 total for projects this year; also, the board approved $65,000 to Special Education Trust Fund to serve as contingency, balance $368,000 end of June.

Chairman Rowley asked what was driving Special Education costs. Superintendent Allen said revenues from the State dropped last year and out-of-district costs vary widely. Mr. Lee said pre-audit estimated fund balance is around $973,000, moved retirement payment to prior year, paid potion of window project: net effect from previous year retained fund balance going back to town with amount voted this year with difference of $89,000, plus the 2 allocations to Capital Reserve Fund and Special Education Fund equals net anticipated fund balance to offset taxes for FY25-26 of $512,564.

<u>Election of Vice Chair of Budget Committee</u>
Budget Committee members agreed to only appoint a Vice-Chair for the upcoming meeting on September 22, 2025. Chairman Rowley said he would check on procedures and get back to the committee.

Motion: To appoint Justin Looser as Vice Chair for the September 22, 2025 Budget Committee meeting; motion by Councilor Ward; seconded by Cris Blackstone; Vote: motion approved 7-0.

MEETING MINUTES
Minutes of June 23, 2025 not reviewed.

OTHER BUSINESS

<u>Next Meeting</u>: September 22, 2025

ADJOURNMENT

Councilor Ward moved to adjourn the Municipal Budget Committee Meeting; seconded by Cris Blackstone; Vote: all in favor 7-0.

Chairman Rowley adjourned the meeting at 6:38 pm.

Respectfully Submitted,

Patricia Denmark, Recording Secretary