

Town of Newington, NH
Budget Committee Meeting Minutes
Wednesday, January 3, 2024 Town Hall

Present: Budget Committee members: John Lamson, Chair, Emily Savinelli, Vice-Chair; Jeff Semprini, Jennifer Kent Weiner, Cyndi Lyons, Maggie Cooke, Selectman's Rep. Chris Wayss, Jamie Belanger, Rick Stern, School Board Rep Jeremy Boston, SAU 50 Superintendent Stephen Zadravec, SAU 50 Business Manager Sue Penny, Newington School Principal Peter Latchaw, School Board Member Amanda Murphy, School Board Member Brian Semprini, SAU 50 Director of Technology Chris Russo, Sewer Plant Manager Ariel Wright, Sewer Commissioner Tom Hazelton, Sewer Commissioner and Library Trustee Jack O'Reily, Library Director Lara Berry, Fire Engineer Ann Hyland Hebert, Finance Director Sheryl Bagley and Martha Roy, Town Administrator.

Chair John Lamson called the meeting to order at 6:00pm

School Budget Review:

J. Belanger moved to tentatively approve School budget of \$2,837,721 J. Boston seconded the motion.

S. Penny said that the budget had increased by 8.96%. One of the causes for the increase was the health insurance which increased by 15.6%. Tuition increased by \$44,000 because of more middle school students. In this budget there is a proposal to increase FTE to create a unified position for language, music, art and health for \$78,000 per year. The special education budget decreased by \$60,000. Newington's portion of the SAU budget decreased by \$3,000. There will be a new bus contract that will cost Newington \$74,000 more, but the Special Education transportation decreased by \$50,000.

C. Wayss asked how the SAU portions the bus routing and how many routes does Newington have. S. Zadravec said that the elementary school has one route and the middle/high school has one route. J. Belanger asked if there were any opportunities to be more efficient with the busing. S. Zadravec said that there are certain constraints that the SAU is bound to. They do look at opportunities to combine stops along the way. They have not thought about using a smaller bus. P. Latchaw said that he has asked about a smaller bus and was told that it was the same price.

E. Savinelli asked about the areas that the proposed Unified arts position would cover. P. Latchaw said it would cover world language, music, art, PE and health. P. Latchaw said that since the pandemic it has been hard to find part time teachers to teach these topics. J. Semprini pointed out that if the net increase would be \$78,000 for essentially

getting a music teacher. P. Latchaw said it would be a long-term solution to the problem of finding people for these positions and the continuity it would provide year after year. C. Wayss asked how much the school was currently paying the part time people that currently fill this position and the contracted amount for world language. S. Penny said that in the current budget there is \$14,280 for world language, \$9,695 for music and \$32,301 for PE/health/art. C. Wayss pointed out that all those positions together are \$56,276, the new position would be a 60% increase. J. Kent Weiner asked what percentage of the \$78,000 were for the benefits. S. Penney said that health insurance is \$35,000. J. Kent Weiner thought that number was very high for insurance. S. Penney said that it was calculated based on the current Collective Bargaining Agreement (CBA) for the teachers. J. Kent Weiner asked what the process was for evaluating the insurance costs each year. S. Penny said that they don't do it every year because they are bound by the CBA. They do it every few years when there is a new CBA. J. Kent Weiner stated that a 15.6% increase is not a normal increase for health insurance and doesn't think the current vendor is serving the school well. M. Murphy said that this is the same conversation that schools are having with their budget committees around the state. Discussion ensued about the increases in health insurance over the years, the future of health insurance rates, the number of people on the different health plans, partnering with other towns to get a lower rate, the rates for a family plan. C. Wayss asked how many teachers with benefits are in the Newington School. S. Penny said seven. C. Wayss said that the cost of a family plan with the 15.6% increase will be \$34,531, which seems very high. Last year it was \$29,000. J. Kent Weiner asked if they could look at health insurance differently next year and look at the possibility of to combining with other schools or districts.

Discussion ensued about the problems finding part time people at this time. The costs and benefits of having another full-time person at the school, the possibility of filling part time positions through a temp agency, the cost of a temp.

C. Wayss said that the Town asked all departments to come in level funded for this year and many departments made cuts to get to the level funding. M. Cooke asked if schools could share a position to save money. S. Penny said that there isn't any saving with doing that. P. Latchaw said that the goal is to provide the best education for their students while also being fiscally responsible and now the Newington School has gone several years without offering the arts as part of the curriculum. P. Latchaw said that his hope when adding this full-time position, we could get someone to provide these art experiences for the students. M. Cooke asked if this full-time position could handle any number of students that Newington could have in the future. P. Latchaw said that he didn't see that as an issue. J. Semprini asked if the school had considered using technology to teach music and fill the void. P. Latchaw said they have considered it but it didn't think it would really work with the younger students.

There are 48 students in the Newington School and a total of 25.5 students from K-12.

J. Kent Weiner moved to make an amendment to the School Budget to reduce it by \$78,030.74 for a new amount of \$2,759,690.26. M. Cooke seconded the motion.

E. Savinelli asked if the school already had someone that could fill this position. P. Latchaw said yes. A. Murphy said that a survey had been done among the parents at the SAU and it was clear that the parents wanted the students to have more exposure to the arts, music in particular.

C. Wayss asked how much the school was anticipated returning at the end of the fiscal year. S. Penny said that she wasn't sure but the average in the past has been \$109,000. C. Wayss said that if we continuously overfund a budget and then overtax the residents on that budget and then the budget is underspent year after year. That isn't where the town wants to be. The money exists in the budget for this position because you return more than \$78,000 each year. S. Penny said that she didn't think they would be returning that much this year.

Discussion ensued about over and under budgeting and the risks associated with each. The percentage of the retained funds that can be retained. The trust fund balances. Reducing the retained percentage each year. J. Boston said that the money that is returned to the town, a percentage comes from the retained funds. If the school pulls the money out of the retained funds for the teacher, it takes away their safety net. S. Penny said that the money that is returned to offset taxes is a separate account. 96% of the budget is spent and doesn't leave much room to accommodate children moving into town or repairing a boiler emergency.

J. Lamson called for a vote on the amendment. J. Kent Weiner, M. Cooke, C. Wayss, C. Lyons, E. Savinelli and J. Belanger in favor. J. Boston, R. Stern, J. Lamson and J. Semprini opposed. The amendment passes.

J. Lamson called for a vote on the new amount for the school budget of \$2,759,690.26. C. Wayss, J. Kent Weiner, M. Cooke, E. Savinelli, R. Stern, J. Belanger, J. Semprini, J. Lamson and C. Lyons in favor. J. Boston opposed.

J. Boston asked what the procedure would be at school town meeting to amend the school budget. J. Lamson said that a resident could propose that money be added to the school budget at the meeting and the Budget Committee could amend the school budget at the public hearing.

J. Lamson called for a break at 7:00.

Sewer Budget Review:

J. Belanger moved to tentatively approve the Sewer budget of \$1,355,188. J. Boston seconded the motion.

R. Stern said that the Sewer Commission added a position in their 2024 budget, it is for a part time town bookkeeper. The position keeps track of the items that are paid out of the contract with H2O Innovations. They will also be adding a bookkeeping computer program, probably QuickBooks. The auditors have requested that this be done to make it easier to look over their books. This new position adds \$1,800 to the budget. E. Savinelli asked if the new hire is trained in QuickBooks. R. Stern said not yet.

Ariel Wright said that they anticipate new sewer connections coming up. A hotel is coming in, a small office building and Unitil is hooking up too, plus whatever happens with the mall property. Flow is increasing also. There is plenty of capacity.

J. Lamson asked if the Commission would be adding to the enterprise fund in 2024. R. Stern said that they would be adding \$150,000. The balance is currently \$1.3 million. J. Lamson reminded the committee that the Sewer budget is paid for entirely through the user fees and the enterprise fund is similar to the town's undesignated funds.

J. Kent Weiner asked if there were any state guidelines on what the enterprise balance should be. R. Stern said no, it is mostly used for major emergencies. J. O'Reilly said that the enterprise fund has been renamed as a capital reserve fund. C. Wayss asked if the enterprise fund could be used to offset rate payers. R. Stern said no. C. Wayss said that he brought this up because there are residents that pay more in sewer fees than their tax bill. R. Stern said they are billed on their water usage. C. Wayss pointed out that our sewer rates are the highest on the seacoast. R. Stern said that is because we are so small. C. Wayss asked when the H2O Innovations contract is up. A. Wright said in April 2025. R. Stern said that everyone has to be licensed now and there aren't any programs to train people, so it is very hard to get licensed and it is hard to find people to work in this industry.

E. Savinelli asked about the major maintenance line in the budget that was overspent in 2023 and why money wasn't spent out of the enterprise fund to pay for some of it. R. Stern said that only emergency repairs could be paid out of the enterprise fund. E. Savinelli asked about abatements. R. Stern said that it was a one-time event and shouldn't happen again.

C. Wayss asked if the commission has ever thought of contracting with the City of Portsmouth to run Newington's plant. R. Stern said that he wouldn't look at Portsmouth to run our plant. A. Wright used to work for the Portsmouth sewer plant.

J. Kent Weiner asked if new technology is being used at the Newington plant. R. Stern said that Newington was the first to do an upgrade when everyone else was fighting it, Newington just did it. The computer system needs to be upgraded. J. Kent Weiner asked A. Wright to compare the differences between the Portsmouth plant and the Newington plant. A. Wright said that it wouldn't be an "apples to apples" comparison. Portsmouth has a multimillion-dollar budget with a lot of money to put towards their sewer system, plus they have two plants.

J. Belanger asked about the sludge budget line that was overspent by \$20,000 in 2023. A. Wright said that the sludge is trucked to a place in Maine that is four hours away. There are not many companies taking sludge anymore due to the potential of having PFAS in it. There is no approved test for PFAS in sludge yet.

C. Wayss asked what the sewer rate was in 2023. A. Wright said \$29.74.

J. Lamson called for a vote on the Sewer budget. All were in favor.

Library Budget:

J. Lamson told the committee that the Selectmen and the Library Trustees have signed an MOU.

E. Savinelli moved to tentatively approve the library budget of \$280,244. R. Stern seconded the motion.

The Library will now be managing their own budget and will receive four quarterly payments from the Town.

E. Savinelli asked if any money would be returned to the Town for 2023. L. Berry said that they don't have their final numbers yet and can't estimate the amount yet.

Discussion ensued about the amount of funds that have been kept or returned to the town in previous years. E. Savinelli spoke about her concern about budgeting more than what is spent and where that money is going and that several budget lines are overspent. L. Berry said the usage of the library has gone way up this year so the expenses increased along with that growth. J. Kent Weiner asked about the health buyout amount of \$16,919 for two people and what does that number represent. L. Berry said that it was 33% of the town's 88% of the entire cost. The entire cost is 100%, the town pays 88% and the buyout is 33% of that 88%. M. Cooke asked what the library would spend the leftover money on. L. Berry said that in the past they have used that money to offset overspent lines. E. Savinelli questioned the amount budgeted for water in 2024 because the line was overspent in 2023 with the same amount. L. Berry said the high cost for water in 2023 is still a mystery that she will be looking into it in 2024. J. Kent Weiner asked where the savings for taking over the administration of the budget

show in the 2024 budget. L. Berry said that she is hopeful that they will see financial savings across the board with this change. C. Wayss read a question that he received from a resident about the new library process. "Exactly how much does this cost taxpayers for duplicity of operational tasks". L. Berry said that she believes the bookkeeper will spend an additional 2-4 hours a month, because she will no longer be sorting out confusion between the Town Hall and the Library. J. Lamson asked if the Town would have less work with this change. C. Wayss said that the town wouldn't have less work because the Town is still responsible to provide information about payments to the budget committee. S. Bagley will still have to align the numbers on a monthly basis.

Discussion ensued about the monitoring process for the Town and the Library Trustees. J. Belanger asked if there was an escape clause in the MOU in case this change doesn't go well. C. Wayss said that it is spelled out in the MOU. The MOU says that the MOU will remain in effect until specifically rescinded by either Board or amended in writing by mutual agreement of both Boards. C. Wayss said if either Boards see significant problems happening or occurring with the method that is being used, either one of the Boards could rescind the agreement and bring everyone back to the table to figure out a solution. C. Wayss does not anticipate there being a problem.

J. Lamson called for a vote on the Library budget. All were in favor.

Minutes: M. Cooke said that she was listed as attending the meeting and she wasn't at the meeting. **J. Boston moved to approve the minutes of December 13, 2023 as amended. E. Savinelli seconded the motion. C. Wayss abstained. All others were in favor.**

Carry Over Item: J. Kent Weiner asked if the school could look at health insurance differently next year and look at the possibility of combining with other schools or districts to reduce costs.

Adjournment: J. Belanger moved to adjourn at 8:10pm. M. Cooke seconded the motion. All were in favor.

Respectfully submitted,

Eleanor Boy
Recording Secretary