

Town of Newington, NH  
Budget Committee Meeting Minutes  
Wednesday, January 11, 2023 Town Hall

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

**Present:** Budget Committee members: John Lamson, Emily Savinelli, Jamie Belanger, Jeff Semprini, Chris Wayss, Maggie Cooke, Alan Wilson, Jennifer Kent Weiner, Rick Stern, Selectman's Rep. Brandon Arsenault and School Board Rep. Jeremy Boston.

**Guests:** , School Board Members; Chris Russo and Brian Semprini, Newington School Principal Pete Latchaw, SAU 50 Business Manager Sue Penny, HDC member John Chamberlain and Fire Engineer Ann Hyland Hebert. Finance Director Sheryl Bagley, Town Administrator Martha Roy,

**Minutes:** C. Wayss moved to approve the minutes of January 4th, 2023 as amended. J. Belanger seconded the motion. E. Savinelli abstained; all others were in favor.

**School Budget:**

S. Penny said that the budget had increased by 7.5% or \$176,418. The middle school tuition costs decreased by \$93,000, but the high school tuition costs increased by \$133,000. Other increases included special education and transportation costs that are both mandated. Transportation costs increased by 8% in this budget. This is the third year of a three-year transportation contract. They will be going out to bid next year. The teachers' contract had a 2.8% COLA in addition to a step increase.

J. Lamson inquired about new budget lines in the budget. S. Penny explained that the budget used to include an expense line that included many different benefit expenses. This new separation of benefit expenses helps her complete a report for the State at the end of the year. J. Kent Weiner asked about the federal funds that were received and how they were spent. S. Penny said that the funds weren't spent on anything, the money was a revenue source which reduces the town taxes. The budget presented today is a new budget and doesn't include any federal funds. A. Wilson asked about a half student listed in the budget. S. Penny said that a half student could be one that moved into the district halfway through year, or a half custody student. B. Arsenault asked about the retainage amount. S. Penny said the 5% was \$103,861. S. Penny said that Newington's school tax is \$2.44, which is low compared to other towns in the area. E. Savinelli asked about the SAU office budget that increased by \$45,979. S. Penny said that the increase was due to salary and benefit increases for the staff. E. Savinelli asked about the formula used to calculate Newington's portion of the SAU budget. S. Penny said that the formula is driven by the state law. J. Kent Weiner said that there were 849 students in the district, but only 51 students attend the Newington school. However,

Newington pays a bigger portion considering that the town only has 51 students. S. Penny explained that Newington gets a lot of services from the SAU, the Tech Director, Special Education Director and the Facility Director. B. Arsenault thought that a 2-million-dollar budget for 15 employees was excessive.

C. Wayss asked if the Town had approached the State about how the town's valuation was calculated and if the utilities were included in it. M. Roy said that some of the utilities were not included in the valuation, and it would take an act of the legislature to change the formula. B. Arsenault said that they can't be calculated in the formula because they don't pay the school tax. M. Roy said that some utilities pay the school tax, and some don't (power plants). S. Penny said that the utilities are included in the formula calculation. C. Wayss said that if the calculation is being done incorrectly that means that the SAU owes the Town money. J. Lamson thought that this issue was worth pursuing again. E. Savinelli asked who is overseeing this process to make sure that the calculation is being done correctly. S. Penny said the DRA. J. Kent Weiner said that the Budget Committee needs to know the answer about the calculation formula before the budget public hearing. S. Penny said that she had reached out to the school's attorney about this issue, and she will share the emails with the Board of Selectmen.

C. Wayss asked about the book budget line decreases. P. Latchaw said they are on a 5-year cycle for replacing books. They are also utilizing technology to reduce the printing costs. J. Belanger asked about the capacity of the Newington School. P. Latchaw said that former School Board member, Mark Joyce, had done calculations for the school and said that the Newington School could handle 65 students without changing anything in the building. J. Kent Weiner asked how many tuition students were in the school. P. Latchaw said 5. J. Kent Weiner asked what the rationale was to have grade 6 in the Newington school. P. Latchaw said that there were two rationals; the first was that it was cheaper and the second is the social aspect. When the students are in the 6<sup>th</sup> grade in Newington they grow as leaders, they are challenged as students, they can maximize their achievement which produces a stronger student. J. Kent Weiner asked why other towns don't have 6<sup>th</sup> graders in their elementary schools. P. Latchaw said costs. Discussion ensued about why other towns send younger students to the middle school, why Newington students aren't kept in the same SAU and the transitions for students.

E. Savinelli asked about how many teachers there were in the school. P. Latchaw said there was one for kindergarten, one for first grade, one for second grade, one for a combination of third and fourth grade and one for a combination of fifth and sixth grade. M. Cooke asked about how many students per grade. S. Penny said that there were 8 in kindergarten, 7 in first grade, 11 in second grade, 5 in third grade, 8 in fourth grade, 8 in fifth grade and 4 in sixth grade.

S. Penny shared the email she received from the DOE about the valuation and including the utilities. B. Arsenault said that the DRA had given the Town a different answer. C.

Wayss said that if the Town finds out that this is the correct way to calculate the town's portion of the budget, then the Town needs to take up the fight with the State. B. Arsenault said that the utilities are a 300-400-million-dollar value in Newington.

Discussion ensued about the school retainage amount and if 5% a year was too much. C. Wayss said that he thought that 5% was not out of line. B. Arsenault thought that it was important to have a cap on the special education capital reserve fund and the retainage account. There is currently \$134,000 in the special education capital reserve fund, \$74,000 in the tuition capital reserve fund, \$102,000 in the maintenance capital reserve fund and \$103,000 in the retainage fund. A public hearing is needed to spend money out of the retainage fund. B. Arsenault said that he understood why the retainage amount was increased to 5% at the beginning of Covid because of the uncertainty but thought that it could be reduced to 2.5% now. It is the School Board's decision on what percentage should be retained. J. Kent Weiner thought the Budget Committee should send the School Board a letter asking for the percentage to be reduced.

C. Wayss asked if there was a limit on the amount that can be in a capital reserve account. S. Penny said that it can be drawn down to zero and can go as high as you want. C. Wayss asked if S. Penny could provide the committee with a breakdown of what has been spent out of the capital reserve funds for the last 2 or 3 years. P. Latchaw said that the new roof at the school was taken out of the maintenance capital reserve fund. B. Arsenault pointed out that no other department had a retainage fund. E. Savinelli said that there was no funding of the capital reserve accounts included in this budget and caps for these funds should be considered. If a reduction in the retainage fund is requested, then the capital reserve accounts will have to be looked at and optimal balances for them should be determined. S. Penny said that the Facilities Director is creating a long-range plan for the facilities which should help with the amount needed in the maintenance capital reserve fund.

B. Arsenault asked if the school knew that a new 13 lot subdivision was coming to Newington. P. Latchaw said that nothing had been shared with them. M. Roy will get them that information.

Three items for the committee to understand before the budget public hearing are:

- The SAU valuation issue
- Review of the balances in the school capital reserve funds
- Review the retainage % amount.

**A. Wilson moved to tentatively approve the School budget of \$2,530,858.86. R. Stern seconded the motion. All were in favor.**

### **Historic District Commission Budget:**

**J. Kent Weiner moved to tentatively approve the Historic District Commission budget of \$22,391. E. Savinelli seconded the motion.**

J. Lamson, J. Chamberlain and A. Wilson are members of the Historic District Commission and will speak about the budget. The main expense item included in the budget is the preservation of town records. J. Chamberlain said that the project is needed to protect the documents from deterioration and to catalog items. It is a very time-consuming process but is important to have these items in electronic form. Also, researchers will have access to these documents without actually handling them and contributing to their deterioration. J. Belanger asked what kind of documents are being preserved. J. Lamson said that there are two-hundred-year-old letters, town meeting records, town clerk records that include Newington births and deaths. J. Chamberlain said that having these documents helps with getting grants and gives the Town stature as a historical place. J. Kent Weiner asked about the different restoration projects and how long each project would take to complete. J. Lamson said that they are not sure, but just want to start the process. J. Kent Weiner asked if these documents were safe now. J. Lamson said they could be safer, but it is adequate for now. The current capital reserve fund would be used if something needed to be saved quickly. Discussion ensued about the balance in the capital reserve fund, the CLG grant for the Old Stone School, the roles of the Historic District Commission and the Historic Society, how old Newington really is, a cap for the HDC capital reserve fund, the need for budget line items in addition to a capital reserve fund and digitizing cemetery deeds. There are approximately six file cabinets of items that need to be preserved.

**J. Lamson called for a vote on the Historic District Commission budget. All were in favor.**

**Adjournment: C. Wayss moved to adjourn at 8:04pm. J. Belanger seconded the motion with all in favor.**

Respectfully submitted,  
Eleanor Boy, Recording Secretary