

Town of Newington, NH
Budget Committee Meeting Minutes
Wednesday, September 29, 2021 Town Hall

Chair John Lamson called the meeting to order at 6:30pm

Present: Budget Committee members: John Lamson, Chair; Jamie Belanger, Alan Wilson, Emily Savinelli, John Chamberlain, Brandon Arsenault Vice-Chair, Jennifer Kent Weiner, Rick Stern, Chris Wayss, Selectman's Rep. Ted Connors, School Board Rep. Mark Joyce, Finance Director Sheryl Bagley, Assessing Coordinator Karen Anderson and Martha Roy, Town Administrator.

Guests: Selectman, Mike Marconi, Selectman, Bob Blonigen, Newington School Principal Peter Latchaw, EJ Hoyt, Fire Chief, Pat Moynihan, Assistant Fire Chief, Mike Bilodeau, Police Chief, Ann Hyland Hebert, Board of Fire Engineers, Denis Hebert, Planning Board Chair, SAU 50 Business Administrator, Susan Penny, Taylor Cooney, Police Department Administrative Assistant.

J. Lamson reminded the committee that this meeting was to review the end of the year school budget and the $\frac{3}{4}$ of the year Town budget.

School Fiscal Year 2020/2021 Budget Review:

S. Penny reviewed the school year- end budget. The school gave \$234,600 back to the Town at the end of the budget year. This surplus was because middle and high school tuition and special education costs were lower than expected. The school began the 2022-2023 budget process on 7/1/21. There are 51 students enrolled this year. Of those 51 students 5 of them pay tuition. There is a large kindergarten and first grade. B. Arsenault asked if any tuition students were turned away this year. P. Latchaw said that one was turned away last year but returned this year. E. Savinelli asked if the school had received any grants. S. Penny said that Newington didn't qualify for any of the covid grants.

2021 Town Expenditures Review:

M. Roy introduced the Town's new Finance Director, Sheryl Bagley and Karen Anderson the town's assessing and EDC coordinator.

M. Roy said that the Town had received \$50,000 from Eversource for the damage to the Town's roads during the Eversource project. The Town plans on using the money to pave Nimble Hill Road from the school's entrance to the intersection of Fox Point and Nimble Hill Road.

The unassigned fund balance is \$3 million. J. Lamson reminded everyone that the Town can't spend this money, they can only spend the money allocated in the budget. The unassigned balance can be used to manage the tax rate. However, the abatement settlement with EP Newington can be taken out of the unassigned fund balance. EP Newington's assessment decreased from \$330 million to \$290 million in 2018 and the Town anticipates that it will drop again from \$290 million to \$190 million. The Town is currently in assessment negotiations with EP Newington for the years 2019 and 2020. Their tax bill in 2021 is \$2.2 million. J. Kent Weiner asked why have \$2 million in the unassigned fund balance. M. Roy said that the Board of Selectmen would like to keep \$2 million in the unassigned fund balance so the Town doesn't have to borrow money during the year. K. Anderson explained that the major tax payers wait until the last day to pay their tax bills so the Town's cash flow can become critical. J. Lamson said that the unassigned fund balance is used as a cushion so the tax rate doesn't go up significantly in one year. J. Kent Weiner said that last year the Board of Selectmen said that the tax rate had to go up because of the donor town issue, the uncertainty of the mall and the EP Newington Settlement. The mall is ok and the donor town issue didn't happen, so what happened to the extra money that was raised for these events. K. Anderson reminded the committee that the Town is still waiting for the utility appraisals for this year and the Town will know more about the 2021 tax rate after these come in. In 2020 the utilities in town paid 88% of our tax bills, it could shift to only 83%. Currently the residents pay \$9.89 per thousand and the utilities pay \$7.02 per thousand. J. Kent Weiner is concerned that the businesses in town will suffer if the tax rate is increased. J. Kent Weiner doesn't think the town should have such a large balance in the unassigned fund balance. T. Connors said that it is large now due to the anticipated abatement payment to EP Newington. E. Savinelli asked if \$2 million was the amount that was needed. M. Roy said that years ago the balance dipped to a lower amount and the town had to borrow money to pay their bills. The Board feels that \$2 million is the amount needed to avoid borrowing money.

J. Belanger thought that it was important to budget for the short term, but to plan long term.

C. Wayss would like to see a report on the cash flow. J. Kent Weiner doesn't think it makes sense to borrow money. E. Savinelli asked if the town is expecting a surplus at the end of the year because many departments have significant balances as of 9/22/21. J. Lamson explained that many expenses are left until the end of the year.

B. Arsenault would like to see a new column on the budget sheets for 2022. The new column would be for the 2021 expenses as of 9/22/21, so the budget committee could see how much money was spent between 9/22/21 and

12/31/21. Rick Stern asked if the Board of Selectmen were still using the "over expenditures" form for the departments. M. Roy said yes.

B. Arsenault said that the budget committee had made good decisions last year and saved the town \$180,000. J. Kent Weiner commented that the town asked each department to submit very tight budgets and it seemed to work out fine, so additional cuts can be made.

J. Kent Weiner asked about the Executive Office salaries line that was overspent. M. Roy said that Paul Deschaine was added to work on the donor town issue and the cyber security project. Plus, the office had a month overlap with the new Finance Director training in May. J. Kent Weiner would like to understand the staffing at the Town Hall better. There seems to be a lot of people going in and out and it could be inefficient. J. Belanger said that the staff is always the biggest expense for a town. Is Newington in line with other towns? J. Lamson said that there is a wage and salary report J. Kent Weiner asked why have \$2 million in the unassigned fund balance. online each year for NH. B. Arsenault would like to review the process for raises for town employees. M. Roy explained that appointed full time employees have a step program for increases. Elected officials are not part of this. There is no review, just the polls. J. Lamson said that elected officials' salaries are set at Town Meeting. It is up to the Town to decide the salary. A subcommittee could be appointed to review elected officials pay.

Alan Wilson said that the Cemetery Trustees have discovered a trust account for cemetery maintenance. The interest can be used each year to offset cemetery expenses.

C. Wayss asked why the town buildings maintenance lines weren't completely used. Does the town anticipate these lines being spent by the end of the year? M. Roy said yes some will be spent, not all. The Town has had a lot of generator maintenance this year. The Police Station still has a mold issue that needs to be addressed. The Fire Station is doing some building upgrades.

B. Arsenault asked about plans for the Stone School. M. Roy said that the Planning Board is putting together a Capital Improvement Plan for the town and expect that information will be included in it. T. Connors said that when the Air Force gave the Stone School back to the town, the deed was very restrictive and has tied the town's hands.

C. Wayss asked about the Regional Association budget. M. Roy said that these payments are done at the end of the year. The Town has just received an invoice from COAST for \$34,000.

Police Department Update:

M. Bilodeau said that holiday pay gets paid out at the end of November. The overtime expense line has increased because the department is down an officer due to an unanticipated retirement this year. The detective and the chief have been working shifts to try and reduce this expense. The accreditation expense will be an annual fee each year. M. Bilodeau thanked everyone who supported their efforts to get accredited.

T. Connors thanked the Police Department for their incredible work on finding the individual who hit the retired police officer on her bike.

J. Lamson asked for an update on how the Explosive Detection K-9 was doing. T. Cooney said that the dog has been requested 25 times since being certified. Donations for the dog have been coming in. The yearly expenses should be around \$1,200-\$1,300 per year. The dog is expected to have a working life of 7 years.

The department is in the process of hiring a new officer. It is more difficult now because the number of applicants is very small.

Discussion ensued about combining the servers and IT support in the town departments. M. Roy said that having separate servers is better for security. E. Hoyt said the Fire Department has very low IT support expenses. P. Moynihan explained that the Fire Department's HIPPA records are all stored at the State so they don't have to have the same type of security as the Police Department or Town Hall. M. Bilodeau is very happy with his IT support. M. Roy said that the Town Hall is also happy with their IT support. The services were bid out last year for a three-year contract.

The Town has switched to an organic spray for mosquitos which is a little bit more expensive.

E. Savinelli would like to see smart thermostats in all the town buildings so the temperature in the buildings can be monitored at all times. C. Wayss said that some smart thermostats don't require WIFI.

B. Arsenault expressed his concern that our high sewer rates will discourage businesses from coming here. He would like to see some tax incentives for businesses to make up for the high sewer bills.

B. Arsenault asked why the town had added compact shoulders to the newly paved section of Fox Point Road. M. Roy said that there are always compact shoulders added to newly paved roads.

Fire Department Update:

E. Savinelli asked about the detail expense line. E. Hoyt explained that this was the expense for the Covid site at Sears earlier this year. The Fire Department received a \$118,400 check for reimbursement for this expense, an \$8,900 overage for the town.

The department also got a grant for \$15,000 for gym equipment.

The Fire Department's ISO rating has improved from 5 to 4. This better rating should lower insurance rates for businesses in town. In the Fire Department's strategic plan, there are plans to improve the score from 4 to 3.

J. Kent Weiner asked about Newington's water contract with the City of Portsmouth. It has not been renegotiated in many years and should be looked at.

E. Savinelli asked when the Fox Point rental lease will be renewed. M. Roy said that it is renewed every May. The rent is \$1,550 a month plus the tenant has mowing responsibilities at Fox Point which saves the town money. R. Stern asked where the repairs to the rental house are paid out of. M. Roy said that it is paid out of the Fox Point expense line under Land Management.

The upcoming Budget Committee meetings for 2021 will be on December 1st and 8th.

Election of Officers: B. Arsenault nominated J. Lamson to the position of Budget Committee Chair. J. Kent Weiner seconded the motion. Hearing no further nominations, the vote was called. J. Lamson abstained with all other in favor. J. Belanger nominated B. Arsenault to the position of Budget Committee Vice-Chair. E. Savinelli seconded the motion. Hearing no further nominations, the vote was called, and all were in favor.

Adjournment: J. Belanger moved to adjourn at 8:43pm. R. Stern seconded the motion with all in favor.

Respectfully submitted,

Eleanor Boy
Recording Secretary