

TOWN OF EPSOM
BUDGET COMMITTEE
JANUARY 9, 2024

Attendees: Marylou Keane, Chairman; Joni Kitson, Vice Chairman; Gary Kitson, Water District Representative; Virginia Drew, Substitute Selectmen's Representative; Joyce Heck; Floyd Graham; Linda Hodgdon; Penny Graham; Michael Wiggett, Substitute School Board Representative; Mary Frambach; Nancy Wheeler

Not in Attendance: Len Gilman

Other Attendees: Rob Topik; Dan Smith; Gloria Kaplan; Patrick Connors; Jack Finley; Jessica Bickford

Marylou opened the meeting at 7:03 PM.

Mr. Finley handed out an updated the Committee on the proposed School Warrant Articles.

Mr. Finley noted the numbers are different from last year as the teacher contract did not pass last year. He noted that they are requesting additional funds in the contract for teachers who are at the maximum step to get an increase that they would have received last year if the contract had passed.

Marylou noted that the Committee has not received anything to review for the items included in the contract other than salaries. Floyd asked about health insurance. Mr. Finley noted they have a change in the cost of the health insurance. Virginia asked if the Committee could obtain copies of the changes in the proposal. Mr. Finley noted teachers at step 5 would go to step 7 if the proposed contract passes.

Linda asked how the health care costs changed. Mr. Finley noted it is going from a school care red package to a yellow plan. Penny asked how much the district would be paying. Mr. Finley noted that for a single person plan they would be paying 95% and a two-person plan would be 80%. Linda asked how that compared to other districts in the SAU. Mr. Finley was not sure of the figures. He thought it was 80%, 85% and 95%.

Floyd noted a past contract changed the percentages and also a change in the plan. He discussed the changes in co-pays and deductibles with the yellow plan. He noted that as a person using the insurance, he would have liked them to keep the better insurance and less in salary.

Penny asked which insurance company is used; she was told School Care.

Marylou asked for information to be sent to her so she could disseminate to the

Committee for their review before Thursday's meeting.

Marylou noted she did a spread sheet showing the changes in the budget and default budget. In the past 5 out of 6 years the school has operated on a default budget. She noted last week the Committee decreased the school budget. Linda also discussed Page 50 from the binder and the surplus in the budgets.

Linda commented on increases in the school budget and the concerns. Linda noted they did not know how the health care costs were negotiated in the contract. She noted that previous Grant funded positions are now in the budget.

Linda noted the increase being paid for the high school students attending a school other than Pembroke Academy.

The special education costs are based on a forecast and they did have a fund if needed. She noted the Budget Committee budget is \$87,000 less than their default budget.

Floyd has had conversations with other residents in town and he feels this Committee is looking at a pattern in the budgets. He noted the school is putting too much burden on the tax payers and they feel there is some room so the tax rate is lower.

Linda asked if there is anything further the Committee needs to consider.

Mr. Finley noted when he received the e-mail from Marylou regarding the cuts he was concerned. He thanked Mr. Connors and the staff for having a surplus last year. He noted that it is a legal responsibility to pay for special education. He noted that they have obligations with some lines.

He noted he had spoken with Amber Wheeler and she is comfortable with the reduction in the High School Tuition and felt an additional \$5,000 could be cut from that line. He noted the contracted services and special education have to be done.

Marylou noted that the budget is a bottom-line budget so funds could be found. She noted they do have the special education trust fund that could be used.

Linda asked if the school had looked at what they would consider cutting with a default budget.

Mr. Connors noted that the majority of the difference was the Reading Specialist and three part-time tutors. He noted that the custodians supplies and other items that would possibly be cut from the default budget if they have to go below it.

Virginia asked if it included the High School tuition. Mr. Connors noted it did not.

Gary asked if anyone in the room thought the budget would pass. No one commented. He asked if they had used any of the Capital Reserve Special Education funds, the answer

was no.

Floyd discussed the wish list that teachers are asked to create at the end of the year for the following year. He noted that Mr. Connors could also create a wish list for the building and grounds. This could include items such as the baseball dugouts.

Virginia noted that no matter what happens with the budget the SAU always gets their funds. She asked if the SAU could return their surplus funds, they do not. She noted last year there were salary increases given to SAU employees not voted on by the voters.

Mike noted that the SAU does have a surplus with some used for the next year's budget. Gary noted there was not anything shown in their budget that this was done.

The special education transportation was discussed.

Mr. Connors noted that people have asked what is being done to help students improve. He noted that he considers items requested as if it is a need or a want. Floyd noted that the action by the Committee allows Mr. Connors to take a stronger position.

Penny asked the number of teachers retiring this year, Mr. Connors did not think any would be. She asked the student population and if it would be going down. Mr. Connors noted the numbers. Penny asked if the population went down do they shuffle classrooms. Mr. Connors noted they look at the overall needs of the students to make decisions. Penny noted that sometimes you could have a combination class. Mr. Connors noted they do have a classroom with mixed grade levels.

Marylou asked what was spent for contracted services in 2022-2023. Mr. Finley noted the figures.

Gary noted Linda, Meadow and he met at the SAU requesting monthly expenses be sent to the Committee. He noted that the Committee has not received them to date with the issue being discussed.

Dan Smith discussed that he has tried to help alleviate issues. He discussed a tractor that was purchased at the end of last year with surplus funds. This was purchased at the end of 2022. He noted the potential cost originally was to be \$30,000 but they ended up purchasing a bigger tractor for \$50,000. The original budgeted approved amount was \$43,000. He noted a very expensive tractor was paid for with surplus funds that has had no maintenance and is used more by the EYAA than the school. He asked what other items can be reduced. He has tried to help at Board meetings and discussed the condition of the building. He noted Floyd and he tried to be a source to come up with contractors, etc. to complete repairs. He noted no one is budgeting for the building. He noted he has offered his assistance, but has never been asked. He noted the school has not been proactive. He felt the Committee did not know all that was a concern with the building. Mr. Smith has been asked to come in and he provided a presentation to the Board on November 14, 2023. Mr. Connors and Mr. Graham have also spoken together.

Linda asked Mr. Connors if they obtain three quotes for any work completed. Mr. Connors noted that EYAA has been helpful as the school did not have a maintenance coordinator. He has asked for assistance. He noted that often it is difficult to obtain three quotes.

Floyd noted a new facilities director was recently hired and is being proactive.

Penny asked the number of quotes received for Transportation. It was noted only one. Penny asked about the special education transportation increase of \$300,000. Ms. Bickford discussed the companies have an unspoken agreement they will not cross areas.

Ms. Kaplan discussed the students attending Prospect Mountain and she is hearing of more parents who are considering sending their children there. Floyd noted that parents are learning of ways to obtain a hardship to have their children attend Prospect Mountain.

Marylou noted that the tuition for those students is being paid out of a default budget. Mr. Finley noted they had applied and were denied by the SAU. They then created a hardship that was presented to the school board and were approved.

Floyd noted conversations he had heard by parents wondered if they could be committing fraud by creating the hardship. Virginia noted in the past the school board would only pay the Pembroke Academy tuition and parents had to pay the difference. Mr. Finley discussed the RSA and the State law that says if a hardship is proven the district has to pay the tuition. The RSA is 193:3, III.

Gary asked if the SAU should be having a discussion with the Superintendent of the other SAU.

Rob asked if there is a problem with Pembroke Academy why isn't it being fixed.

Mike noted that he has never says yes to purchasing something without conversations. Mr. Connors stated that he wasn't aware of any problems.

Mr. Connors noted that he does have a plan that is evaluated during the year for improvements to the building and grounds. He noted it is determined if an item is a priority as those may change.

Mr. Finley noted it would be up to the School Board to make the final decision.

Penny commented that at the last meeting some members did want to cut more, but wanted a unanimous decision on the budget. Further discussion ensued regarding the default budget is based on the past year's budget with contracted services added.

Marylou noted that **Thursday the Public Hearing begins at 6:30 PM at the Fire Station.** She asked for the teacher contract information tomorrow.

Minutes

The minutes of January 4, 2024 were reviewed and amended.

Floyd motioned to approve the minutes of January 4, 2024, as amended; Linda seconded the motion. The motion passed.

Town Budget

Marylou asked if anyone had any further proposed cuts to the Town Budget. Joni noted that changes have been made and people have presented to them.

Linda noted the budget is \$52,106 below the default budget.

Marylou noted they had made changes to some Warrant Articles and she would try to have them for members to review before the meeting on Thursday.

Gary motioned to adjourn; Mary seconded the motion. The motion passed.

Marylou adjourned the meeting at 9:02 P.M.

Respectfully,

Betsy Bosiak
Recording Secretary

What has caused concern from this Budget Committee about the school budget and its significant increase?

- The school budget proposal is 16% higher than the 2023 school tax rate - \$3.03 on top of \$18.76 per thousand meaning a home taxed at an assessed value of \$300,000 will see an increase of \$909 additional dollars just for the increase for the school. The default budget is \$2.41 higher (almost 13%).
- An SAU budget that is 11.76% higher this cycle but 26.4% higher over the last 5 years. Within their budget their health care costs have increased 46.2% during that time and in testimony when we asked how they negotiated to bring those costs down - increased copays or deductibles - I understood them to say they have not, which is simply cost shifting that to the taxpayers. Now arguably some of that is for increased positions - another concern we have.
- Grant funded positions shifted to taxpayer funded positions
- Pembroke Academy students are funded at \$15,327, yet the Epsom taxpayers are paying \$23,814 for 3 students to attend another high school, an increase of over \$25,000 and the beginning of a nightmare to come
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We understand:

- The Transportation Contract is exorbitantly higher than prior year but with only 1 bid, the school was in a bind - \$500K more than the 23/24 budget [1250872 vs 744254= 1.68%]
- Also, Special Education Costs are much higher this year but are based on a forecast

THE SCHOOL'S PROPOSED BUDGET IS NOT TENABLE IN THE TOWN OF EPSOM.

In prior years the school returned to the town (essentially a lapse) \$365,267 ('23), \$333,071.57 ('22) and in other years amounts ranging from \$105,000 to \$273,000 excluding the Covid year of \$929,341 (20). This budget is \$87,000 less than the default budget. With upfront planning as you must do with the default budget - do so here.