

TOWN OF EPSOM

BUDGET COMMITTEE

DECEMBER 4, 2008

Present: Harvey Harkness, Chairman; Marylou Keane, Vice Chairman; Joanne Randall; Carol McGuire; Carole Brown; Larry Yeaton: Brad Keyes; David Fiorentino; Mike Wiggett; Kevin Reeves; Larry Caraway; Joyce Heck

Other Attendees: Nancy Wheeler; Andrew Walton; Mary Frambach; Stewart Yeaton; Matt Moulton

Harvey opened the meeting at 7:00 P.M.

The minutes of November 20, 2008 were reviewed and amended.

Larry Yeaton made a motion to accept the minutes of November 20, 2008 as amended with Brad seconding the motion.

Harvey asked if there was any discussion on the motion. There being no discussion on the motion, Harvey called for a vote. The motion passed unanimously.

Harvey noted the session was a work session; they would begin where they left off last session. There were questions asked with responses tonight. He asked Marylou to explain the salary printout given to members.

Nancy Wheeler explained the amounts on the revaluation line. Larry Yeaton asked if the town had voted something down regarding revaluation figures, he requested the RSA indicating the town had to be revaluated every 5 years. Harvey will get the information for the next meeting, noting the revaluation was related to the State Education Funding Law.

Marylou asked if a default budget was available, Joanne noted the Board of Selectmen will have it completed in the next couple of months. How the default budget is determined was discussed. Joanne noted the fuel lines will be different this year as the town has a contract for fuel oil. Joanne felt the default budget would increase 5 to 6 percent.

Kevin asked if there were other contracted items. Nancy noted health insurance, retirement costs, police dispatch services, computer software fees, BCEP fees if increased, Water District increases, audit fees.

Larry Yeaton asked if merit raises were included in the default budget as he was aware the COLA is included. Harvey noted that was a decision of the Selectmen. Larry reiterated his question; Joanne said it has not been discussed by the Board of Selectmen yet. Larry noted the default budget is to be last years budget plus the cost of contracted increases.

The percentage increase from 2007 to 2008 was discussed by Marylou and Brad. Harvey noted the point Marylou was making is they could expect a 5% increase in the default budget over the 2008 budget.

Harvey asked Nancy to explain what was included in the 5.7% COLA. Nancy said it was based on the Northeast CPIW as of September 30. Harvey noted Moody's current inflation figure nationally was 3.5%, the national CPI was 1.8%. Nancy noted the Board of Selectmen uses figures from September 30 to September 30.

Harvey noted the Capital Improvement Program is approved by the Board of Selectmen and is project Capital Improvement costs over \$10,000.00. The town is not locked into the projects based upon available funds.

Harvey asked if the rental cost of the backhoe was able to be negotiated toward its purchase costs. Larry Yeaton said in 4 years the town could purchase it for \$1.00.

Harvey asked what outstanding litigation the town was involved in. Joanne noted there were some cases from the Planning Board that may have an impact on the town. Larry Caraway felt the value of the suite should be put forward. Dave asked if the town's insurance would cover the costs, Joanne said it may. She will try to assembly the information.

Harvey asked the current plans for town offices beyond 2009. Joanne noted the Selectmen have reestablished a town Office Committee to present options to it.

Harvey asked if there were any plans for the Highway Department, Joanne said no.

Marylou asked if money (\$10.00) should be put in the Mosquito Control Line. Joanne noted last year the Selectmen asked the Health Officer about the procedure if a situation occurred. He would work with the State to control the situation. Joanne requested Marylou speak to the Health Officer regarding that line.

Carol noted the budget worksheet received today had a different bottom line than the previous budget they had been given. Nancy noted there was an error in some of the Fire Department Salary Lines (Social Security, Medicare).

Larry Caraway asked Carole if the State had funds to assist the town if there was an epidemic (re mosquito control). Carole did not know, but will find out.

Brad discussed he had run the budget numbers from 2004 to the proposed 2009 budget, discussing the increases.

Carol noted leaving the Police, Fire and Highway Departments alone she could only come up with \$15,000.00 in proposed reductions.

Brad felt the town did not spend a lot of money; he thought they needed to educate the voters.

Joanne discussed how the Selectmen had made cuts to come up with a budget with only a 12% increase.

Larry Caraway asked about the Morrison Funds. Larry Yeaton noted the Departments have decided to not spend the interest, Nancy noted it has to be voted for the Departments to spend the money.

Larry Yeaton asked for figures for taxes not paid in June; Carol had looked at the 2007 figures and there was very little owed.

Kevin thought the budget was a tough sell due to SB2. He did not know how to get the point across to the town. Harvey noted it was a challenge they faced. Joanne noted there was a petition to rescind SB2.

Marylou felt, as a taxpayer, the budget would not pass. She did not feel they could do a 12% increase with the economy. Carol noted to get down to a 5% increase they needed to cut \$150,000.00.

Harvey noted the challenge facing the Committee was to educate the voters. He suggested a couple of people be appointed to strategize how to flood the town with information. He noted they have the Website and the information needed to be put there. Carol noted as the Website stands it is not useful. Dave and Mike volunteered to work with Harvey to come up with some aggressive suggestions. Brad is willing to assist with the Website.

#### 01-4550.1-680 - Management Services - Library

Carol made a motion to reduce this line by \$12,000.00 with Joanne seconding the motion.

Harvey asked if there was any discussion on the motion.

Carol said she also thought the Library could cut the legal line, professional services, supplies and programs. Further discussion ensued.

Carol rescinded her motion and amended it to make a motion to reduce the line by \$8,000.00.

Nancy asked if a lease was signed between the Library and Historical Association how would the revenue be shown. Harvey said it would go toward reducing taxes. Harvey noted he had just received a copy of the lease; it has been forwarded to Attorney Soltani. The Library's attorney has not been paid to date. Nancy said if the bill is from 2008 the funds could be encumbered from the 2008 budget.

Joanne noted the Library is the only Department that has not been cut.

Carol restated her motion to reduce the Library Management Services Line by \$8,000.00 with Joanne seconding the motion.

Harvey asked if there was any discussion on the motion. There being no discussion on the motion, Harvey called for a vote. The motion passed with 9 yeases, 2 nos and 1 abstention.

Larry Yeaton asked about the increases in the Parks budget. Joanne reviewed the breakdown given to the Selectmen. Nancy noted Gary Perry has been working with VHB to stabilize the swimming area.

Discussion about the Park telephone ensued. Nancy explained it was for reservations, and was moved to the office after Sarah Heath resigned. Nancy noted Gary comes in to obtain the messages and now does the reservations. Kevin asked why the town number wasn't used with Nancy saying it was up to the Selectmen.

Larry Caraway asked if the grounds' keeping was bid out. Joanne noted the Parks Department manages to get several people who donate their time, equipment, etc. to save money. Larry Yeaton suggested they have Gary come in to discuss concerns next week.

Brad asked if the Committee should set a goal to get the increase under 10%. He suggested they cut Swimming Lessons, Band, Patriotic Services, drop the COLA to 4.2%, Welfare lines, Parks, and Emergency Management Grants line to \$2,500.00. Carol suggested cutting the Conservation Land Acquisition line by \$6,000.00.

Marylou discussed reducing the Police Department Administrative Assistant's merit increase by half. Joanne felt they should not touch the salaries. Marylou felt it shows good faith if they give a little each year. Larry Yeaton does not mind paying for experience.

Discussion occurred regarding the Police and Fire Department salaries, the levels of training and education of each position.

Harvey noted he did not want to reduce the money so the Board of Selectmen had to transfer money to pay for basic services.

Discussion occurred of using the State Police and Merrimack County Sheriff's Department for coverage the town pays a portion of their costs also.

Joanne understood the Committee wants to cut, but she felt offering less would still cost the town loss of personnel. She feels the money in the salary budget is what is needed.

Carol suggested using Brad's cuts plus take \$13,000.00 for the Highway Department.

Joanne said if they are cutting salaries they need to do an across the board cut. Carol noted the Budget Committee has a problem with the Police and Fire Departments being underpaid. Cutting merits only was discussed.

Larry Caraway suggested reducing the COLA to 3.5%.

Brad reiterated his suggestions as follows:

- \$ 8,000.00 - Library
- \$ 2,500.00 - Swimming Lessons
- \$10,800.00 - Reduce the COLA to 4.2%
- \$ 2,000.00 - Band
- \$ 1,000.00 - Patriotic Services
- \$ 2,500.00 - Parks
- \$ 5,000.00 - Emergency Management
- \$ 3,000.00 - Conservation Land Acquisition
- \$15,000.00 - Highway Department (Highway/Street Maintenance)

This would reduce the budget by \$49,800.00.

Further discussion ensued with Larry Yeaton feeling they needed to be closer to the default budget figures.

Harvey asked for each Committee members feelings on the proposed cuts.

Nancy said these changes would reduce the proposed tax rate by \$0.66 per \$1,000.00.

Brad felt they needed to put something together that was going to pass. Mike asked what would occur if they went to a default budget. Brad said a budget has not passed in the last 4 years. He feels the people will say no way to a 10% increase. Marylou said the last 4 years the Budget Committee has not made any big changes. She thinks it is too much of an increase for people with what is going on. Dave felt the people have to see the town is running on a tight budget.

Harvey suggested Nancy give them a new budget next week with the proposed changes.

## **Fire Department**

Chief Yeaton was present to answer questions for the Committee. Carol asked if he had to cut \$15,000.00 from his budget where would he cut it. Chief Yeaton said his stipend. He discussed the cuts he has made in discussions with the Selectmen. He would not be able to come up with \$15,000.00 in cuts.

The fund for Fire Department capital Equipment purchases was discussed.

Larry Yeaton felt Chief Yeaton was doing a fine job with what he has.

Brad explained he was working to get the increase below 10%, with a need to cut \$50,000.00. Brad had suggested cutting the COLA to 4.2%. Chief Yeaton noted his employees' average a 50 hour work week; he would have to recompute the figures. Nancy indicated she would be doing that.

Harvey noted with these discussions the Committee would have to have a work session on December 18th. Kevin agreed to present the Water District's budget on the 18th. Carol suggested also meeting on January 8th with a Committee concurrence to do so.

Larry made a motion to adjourn the meeting with Carol seconding the motion.

Harvey asked if there was any discussion on the motion. There being no discussion on the motion, Harvey called for a vote. The motion passed unanimously.

Harvey adjourned the meeting at 9: 17 P.M.

Respectfully submitted,

Betsy Bosiak  
Recording Secretary