

TOWN OF EPSOM

BUDGET COMMITTEE

JANUARY 14, 2010

Present: Harvey Harkness, Chairman; Marylou Keane, Vice Chairman; Joyce Heck; Carol McGuire; Carole Brown; Brad Keyes; David Fiorentino; Mike Wiggett; Kevin Reeves; Virginia Drew; Keith Cota (sitting in for Joanne Randall)

Excused: Joanne Randall

Absent: Tammy Vaillancourt

Other Attendees: Peter Aubrey; Patrick Connor; R. Stewart Yeaton; Robert Blodgett; Matthew Moulton; Rick Belanger; Wayne Preve; Kathleen Bailey; Mary Frambach; Dick Frambach

Harvey opened the meeting at 7:04 P.M.

Harvey noted tonight was the public hearings for the three budgets to be presented at the deliberative sessions. The deliberative sessions are:

School District: February 2, 2010, 7:00 P.M. at the school

Town: February 6, 2010, 9:00 A.M. at the school

Voting: March 9, 2010 – Polls open from 8:00 A.M. to 7:00 P.M. at the school

Carol motioned to open the public hearing, Kevin seconded 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.

School District:

Harvey noted \$75,000.00 had been cut for the high school bus and \$5,500.00 from the School Board salaries. He understood the School Board was not proposing a Warrant Article for the high school bus.

Harvey asked for questions or comments from the public regarding the proposed School District budget.

Rick Belanger asked if in today's times is there a need for the SAU and would it save money for the town to not be a member.

Virginia noted this has come before the School Board in the past; the SAU is utilized, saving the district money as we pay for only our costs.

Rick asked if anyone had looked into if it was cheaper if we did it ourselves; Mike stated not that he was aware of. Virginia noted it has been looked into in the past.

Harvey noted the Department of Education has comparative data that he could get. Rick felt it was good to look things over from time to time.

Keith Cota noted he was filling in for Joanne Randall and had two questions:

1. What was the amount of the contract salary adjustment for the teachers
2. Larger communities are looking at student population and finding reductions, has this been looked at.

Mr. Connor was not sure of the teacher salary increase, but thought it was 3%. Mr. Connor noted two positions were cut due to retirements in the past; but the school population has increased by 20 students.

Dave asked what the population was. Mr. Connor noted this was his sixth year at the school; the population has ranged from 500 students. The low was 430 students, this year they have 452 students.

Marylou asked if the last time it was voted to take the high school bus out was it was a Warrant Article. Mr. Connor noted the Board did not do that Article. Mike feels the children are worth more than a Warrant Article, they graduate from 8th grade, and we don't try to help them get to high school.

Harvey noted they were in public session and the budget could be changed.

Rick noted many people are passionate on both sides, they have the buses and students do not utilize the service. He was dismayed to see the need for two buses, but had been told they were mandated to have enough room for all the students. Mr. Connor noted they would have money for two buses, but would not necessarily use both.

Keith asked if the town was required to bus high school students, he was told no. He asked if other area towns provide buses. Mr. Connor noted Chichester and Deerfield do. Keith asked if they could work with another community for busing. Mike noted the Marston's do Chichester and do not want to enlarge their services. He noted the year the town paid for the bus; Dail Transportation indicated the bus was full.

Marylou motioned to add \$74,880.00 to the school budget line 001-2721-518-103-000 for High School Bus, Virginia seconded the motion.

Keith understood the parental need and desire for the buses, but in looking at the budget it is \$500,000.00 over last years. He has heard from the Budget Committee the need to hold back, he asked if this was the year to pursue the bus. They are going to discuss the town budget and make adjustments to it.

Virginia recognizes the Town came in lower, but there is no bond payment. We can't afford an increase, but she is looking at the need. She would support the cost of one bus.

Mike noted there is a need to get the high school students to Pembroke Academy, there is a safety factor also. Many parents do not know how to get their child to/from school. He feels they should consider doing it here or at the deliberative session.

Keith understands the hardship and safety issues. He feels with a \$500,000.00 increase he questions if they should be doing this. The cost equates to \$625.00 per year to send a student, they need to look at from a taxpayer aspect.

Marylou understands the increase with a great deal being the teacher salaries. Money would be turned back if a second bus is not used.

Carol wanted to amend the motion to \$1.00; she was told there already is money on the line.

Harvey asked if there was any further discussion on the motion. There being no further discussion on the motion, Harvey called for a vote. The motion failed with 4 yeses, 6 nos, 1 abstention.

Harvey stated the bottom line to be presented at the deliberative session is \$8,557,989.00.

Article 1: Shall the District vote to raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$8,557,989? Should this article be defeated, the operating budget shall be \$8,548,461 which is the same as last year, with certain adjustments required by previous action of the school district, or by law, of the governing body may hold one special meeting in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only.

Carole made a motion to recommend Article 1, Kevin seconded the motion.

Harvey asked if there was any further discussion on the motion. There being no further discussion on the motion, Harvey called for a vote. The motion passed with 5 yeses, 3 nos, 3 abstentions.

Article 2: Shall the District vote to raise and appropriate the sum of up to \$40,000 (from surplus) to be added to the Building Maintenance and Repair trust Fund previously established, with such amount to be funded from the June 30, 2010 unreserved fund balance available for transfer on July 1, 2010.

Mike made a motion to recommend Article 2 with Kevin seconding the motion.

Carol asked how much was in the fund now, Marylou noted \$47,748.00. It was noted the School Board was looking to use this money to replace the boiler that has to be replaced from this fund and it would be depleted.

Kevin confirmed the money would only go into the fund if there is a surplus.

Keith was concerned with pulling surplus money for special accounts. He felt the money should go back to the taxpayers. He suggested using money from the School Construction and Renovation Account. He noted this money is dedicated to expanding the school, he suggested asking the town to close this account and distribute the funds. Mr. Aubrey noted this would require another Warrant Article; they are looking to put money into a fund the School board could expend. If they had to use the suggested Account it would require a special district meeting. There is no time to do another Warrant Article. Carole suggested doing one for next year.

Harvey asked if there was any further discussion on the motion. There being no further discussion on the motion, Harvey called for a vote. The motion failed with 2 yeses, 7 nos, 2 abstentions.

Article 3: Shall the District vote to raise and appropriate the sum of up to \$40,000 (from surplus) to be added to the Special Education Trust Fund previously established, with such amount to be funded from the June 30, 2010 unreserved fund balance available for transfer on July 1, 2010.

Mike motioned to recommend Article 3, Carol seconded the motion.

Carol asked the balance in this fund. Marylou asked what fund this was as the Trustees do not have it. Discussion ensued the fund is new and could not be voted upon the way it was written.

Harvey asked if there was any further discussion on the motion. There being no further discussion on the motion, Harvey called for a vote. The motion failed with 0 yeses, 10 nos, 1 abstention.

Water District:

Kevin motioned to recommend the Water District budget with a bottom line of \$159,500.00, Carole seconded the motion.

Keith noted he was impressed on how the Epsom Water District manages on such a small budget. Kevin noted they were fortunate with the operator they had.

Harvey asked if there was any further discussion on the motion. There being no further discussion on the motion, Harvey called for a vote. The motion passed with 10 yeses, 0 nos, 1 abstention.

The Committee took a break from 7:50 P.M. to 8:04 P.M.

Town:

Harvey noted the Selectmen and Budget Committee worked hard on this budget. They have gone over a number of issues several times, it is the Town budget agreed to up to this point. The Selectmen have made an effort to reduce the budget and made an effort to increase the wages for Town employees. Money wise it is less than the 2009 budget.

Nancy Wheeler noted it is \$12,000.00 less. Nancy and Marylou reviewed the items that have been reduced and increased.

Harvey noted the Selectmen made purchases out of the 2009 surplus, i.e. computers for the office, with Rick Belanger's assistance a new vehicle was purchased for the Road Agent. He asked if there were comments or questions from the public.

Rick Belanger thanked the Committee members for all that they do. He believed the Selectmen said they were going with the raises the Department Heads requested. Harvey noted the Budget Committee added an increase for the Fire Department employees.

Rick asked why. Carol noted partially as the rest of the employees were getting raises. Testimony was given that they were underpaid and the Town could be at risk of losing the firemen. Carol noted the Committee would like the Fire Chief to look at the same type of study the Police Department completed.

Virginia felt fortunate to have the people who live in town with experience. She was looking to bring the salaries to what they were worth.

The number of hours the Fire Department employees worked was reviewed. Chief Yeaton noted they are to work 48 hours a week, this year he included pay for 51 hours a weeks. He wished he had come up with a three year plan. He noted he was told to have his budget come in with a zero increase. He will have a plan for next year.

Kevin understood there was a 10% unemployment rate but the Police and Fire Department employees are underpaid. He felt if they were going to bring one up they all should be brought up. Mike agreed.

Dave thanked Chief Yeaton for being in touch with the economy and understood and appreciated what he did.

Rick has looked at the increases and discussed them with Joanne and other people. He thinks the Police Department should come down to 5% and if the Committee wants give an increase to the Fire Department. An increase was given to the laborer for the Highway Department, he is able to do what needs to be done and they should spend the money to retain.

Dave wanted to bring up Line 01-4191.2-150 - Zoning Compliance Officer & Assistant. He noted the Selectmen chose to put on an assistant but the Planning Board and Zoning Board of Adjustment's budgets are down. He felt the work of the Zoning Compliance Officer was decreased.

Dave motioned to take out the money for the assistant for the Zoning Compliance Officer, Carol seconded the motion.

Dave thought they over looked it as it is written as one line item, he felt if the assistant had its own line they could analyze it better. Carol noted the funds were there last year with the position being vacant, in 2009 it was filled.

Keith explained the Zoning Compliance Officer works 29 hours a week leaving 318 hours for the assistant for the year. He is assuming the assistant receives approximately \$12.00/hour. Keith does not support the motion; there are a lot of compliance issues in Town that the Zoning Compliance Officer takes to the ZBA. They are finding 29 hours a week are not enough. Removing illegal signs alone takes time; the assistant is being used for that. Keith noted the documentation necessary for violations and fines. Jay is effective with enforcement; not all people respect him for the work he does. Keith noted the assistant would be available for questions when the Zoning Compliance Officer is not available. Virginia remaindered the Committee when Jay came before them he outlined what he did; noting if he was not diligent it could cost the Town money.

Rick Belanger noted Jay has been busy with some things before the ZBA due to his actions. Nancy Wheeler noted there is enough work without complaints with some things sitting as he does not have the time to address them.

Kevin asked the qualifications for the assistant; Keith noted there are no qualifications except awareness of the zoning regulations and the court interpretations of them.

Harvey asked if there was any further discussion on the motion. There being no further discussion on the motion, Harvey called for a vote. The motion failed with 4 yeses, 5 nos, 2 abstentions.

Mary Frambach noted the Town did not receive the LCHIP grant applied for; line 01-4194.1-430 (General Government Buildings – Repairs & Maintenance) could be reduced by \$5,000.00. Nancy noted this would preclude any further grants that would require matching funds; the next round starts in July.

Joyce asked if there was feedback from LCHIP, Mary felt Bob Blodgett should respond. Nancy noted LCHIP indicated there were more requests for grants than money per the telephone call to Bob.

Joyce motioned to make raises for the Fire and Police Department employees at 5.5%, Carole seconded the motion.

Harvey verified this was across the board, Joyce noted yes.

Carol would like the hourly change; Joyce indicated it could be made hourly. Keith noted the discussion would have value if they had the numbers; Nancy previously did the numbers for the Fire Department at a 5% increase.

Joyce amended the motion to a 5% increase, Carole seconded the amendment.

Nancy noted they have to have the numbers.

Joyce withdrew the motion and Carole the second.

Joyce requested the numbers for the deliberative session.

Discussion continued around raises for the Police and Fire Departments. Harvey asked the Committee's support of a 5.5% increase for both departments.

Mike felt both should be at 8%. Virginia noted the Fire Department should be at 5.5%, Police Department at 8%. Dave felt both should be at 5%. Carol did not want the Fire Department employees insulated. She thinks well of them, but it makes sense to continue the Police Department increases as proposed. Brad would like a 5% increase. Marylou noted she would not vote for budget changes. Keith noted it was not his understanding the Fire Department was to come in with a zero increase budget. He noted the Department Heads were told to come in with a budget they could live with. He supports the Police Chief with his plan. The Fire Chief came in with an increase in hours. He would like to review further salary rates. Carole did not know where they were at. Kevin was concerned and clarified the proposed Fire Chief's increase.

Harvey noted the budget now has a 3% increase. If they want to make changes they need calculations and the numbers. If the members wanted he would request the numbers be developed for the deliberative session.

Joyce thought Harvey was asking for a consensus to ask for the numbers for a 5% increase.

Brad motioned to pull \$5,000.00 out of the General Government Buildings Repairs and Maintenance Line (01-4194.1-430); Kevin seconded the motion.

Nancy noted the money was for matching funds and repairs.

Harvey asked if there was any further discussion on the motion. There being no further discussion on the motion, Harvey called for a vote. The motion passed with 5 yeses, 3 nos, 3 abstentions.

Brad motioned to add \$5,000.00 to the Fire Department Full Time Positions (01-4220.1-110) line; Joyce seconded the motion.

Carol noted this was an excellent idea, but wondered about increases to Social Security, Insurance, etc. Brad felt this would get them closer and the Selectmen would have to make adjustments for the other lines.

Harvey asked if there was any further discussion on the motion. There being no further discussion on the motion, Harvey called for a vote. The motion passed with 10 yeses, 1 abstention.

Mike made a motion to recommend a budget with a bottom line of \$2,710,458.00, Keith seconded 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 8 yeses, 3 abstentions.

Harvey noted the Selectmen have voted on Warrant Articles 3, 4 and 5. They have not reviewed and voted on Articles 1 and 2.

Article 1: Shall the Town of Epsom vote to raise and appropriate the sum of three hundred fifty thousand dollars (\$350,0000.00) for the construction and original equipping of a new Town Office complex, to be located in the lower level of Epsom's Historical Meeting House (Map U4, Lot 52), and to authorize the issuance of not more than three hundred fifty thousand dollars (\$350,000.00) of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33), and to authorize the municipal officials to issue and negotiate such bonds or notes and to determine the rate of interest thereon? **By Petition. 3/5ths majority vote required; this is a Special Warrant Article and its appropriation is in addition to the operating budget.**

Nancy Wheeler questioned the Budget Committee voting on this Article before the Public Hearing scheduled for Tuesday, January 19th at 7:00 P.M.

The Budget Committee did not take any action on this Article.

Article 2: Shall the Town of Epsom raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$ 2,710,458.00? Should this article be defeated, the operating budget shall be \$ 2,651,657.00, which is the same as last year, with certain adjustments required by previous action of the Town or by law; or the governing body may hold one special meeting in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only.

Harvey noted this Article had been voted on.

Article 3: Shall the Town of Epsom raise and appropriate the sum of one hundred fifty thousand dollars (\$150,000.00) to be added to the Capital Reserve Fund previously established for the purpose of reconstruction and improvements to town roads? **Majority vote required; this is a Special Warrant Article and its appropriation is in addition to the operating budget.**

Harvey noted this Article appears year after year. Marylou noted there is \$618,926.97 in the account. Harvey noted if the Article passes, \$150,000.00 would be added to the account at the end of 2010.

Dave motioned to recommend Article 3, Mike seconded the motion.

Carole noted there is quite a lot of money in the account; she did not see a plan. Carol asked how much of the funds the road Agent planned on spending; she did not have a plan either. Joyce reviewed the information given by the Road Agent at the November 19th meeting. Discussion ensued on putting the money aside if people have concerns.

Keith noted the money was to cover unexpected expenses, it would be difficult to find the money if it is needed. It does cover emergency expenses. The plan is to use \$172,000.00 in 2010.

Joyce noted in case of an emergency the \$400,000.00 in the budget could also be used. Keith noted this money may be spent if it is near the end of the year. Carol noted the money will be spent sooner or later, they should be asking which roads should be repaired.

During the discussion Kevin left the meeting.

Harvey asked if there was any further discussion on the motion. There being no further discussion on the motion, Harvey called for a vote. The motion passed with 6 yeses, 2 nos, 2 abstentions.

Article 4: Shall the Town of Epsom raise and appropriate the sum of twenty-six thousand thirty-seven dollars (\$26,037.00) to pay for six (6) months' salary and benefits for one (1) additional police officer? **Majority vote required. This appropriation is in addition to the operating budget.**

Carol motioned to recommend Article 4, Virginia seconded the motion.

Carol noted they should consider the Town may lose an officer at any time as there is no promotion package as we are a small town, we will have a trained officer. Brad thought this was not the time to add personnel.

Chief Preve discussed having surveyed the surrounding towns with the same population, they have more officers. He noted when the Department was down officers, overtime

was paid, and therefore the Town did not suffer. The officer would assist with investigative work.

Harvey asked if there was any further discussion on the motion. There being no further discussion on the motion, Harvey called for a vote. The motion failed with 4 yeses, 5 nos, 1 abstention.

Article 5: Shall the Town of Epsom raise and appropriate the sum of thirty thousand dollars (\$30,000.00) for architectural and engineering planning for the future construction or an addition to, and renovation of, the Meetinghouse located adjacent to the new Library and Old Town Hall, to include site improvements, for the use as town office facility and public meeting room, and will not lapse until the project is done or December 31, 2015, whichever is sooner? **Majority vote required. This appropriation is in addition to the operating budget.**

Keith noted the Building Needs Committee was formed by the Board of Selectmen to investigate the needs of the town office. Out of their report was an approach to complete an engineering report. The Committee has done hours of work and needs additional expertise to advance forward. The Selectmen felt a better approach was to give another year for analysis and next March move forward on a long term solution. There could be other opportunities that the \$30,000.00 that may assist in advancing this work. A contractor has approached the Selectmen with a lease/purchase opportunity. There may also be funding from the Second Recovery Act.

Harvey asked the current rent; Keith noted it was \$22,000.00/year. The Selectmen have talked to the landlord who would like another 5 year lease. The Selectmen suggested a 3 year lease. The landlord would be looking for an approximate 3% rent increase. Nancy noted there are numerous issues with the current building.

Brad noted Article 1 was very specific to finish the basement, if it passes they would have no option. Keith has issues with Article 1, Brad noted wording could be added to include the addition. Carol tended to support the Article as they are talking of using the Meetinghouse and it would be good to get professional opinions.

Harvey asked if there was any further discussion on the motion. There being no further discussion on the motion, Harvey called for a vote. The motion passed with 8 yeses, 2 abstentions.

Carol asked about the Article with the money for the cemetery funds, Keith noted it was removed as Counsel indicated if it was turned down they could not spend money on the maintenance. If the other Article passes they would overspend the cemetery line.

Nancy reiterated the public hearing for Article 1 is Tuesday at 7:00 P.M. and she has to post the warrant by January 25th.

It was determined to convene a brief meeting on Thursday, January 21st at 7:00 P.M. at Town Office to deal with Article 1 and sign the MS 7.

Dave motioned to close the public hearing, Mike seconded 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 closed the public hearing at 9:45 P.M.

Dave motioned to accept the minutes of January 7, 2010, Mike seconded the motion.

The minutes of January 7th were reviewed and amended.

Harvey asked if there was any further discussion on the motion. There being no further discussion on the motion, Harvey called for a vote. The motion passed with 8 yeses, 2 abstentions.

Brad 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 10:00 P.M.

Respectfully submitted,

Betsy Bosiak
Recording Secretary