

Approved as amended _____

TOWN OF EPSOM

BUDGET COMMITTEE

JANUARY 6, 2011

Present: Marylou LaFleur-Keane, Chairman; Joyce Heck, Vice-Chairman; Bob Sawyer; Keith Cota, Selectmen's Representative; Mike Wiggett, School Board Representative; Virginia Drew; Brad Keyes; David Fiorentino; Carol McGuire; Kevin Reeves; Penny Graham

Not In Attendance: Mona McGraw

Other Attendees: Carole Brown; Nancy Wheeler; Dawn Thulin; Don Harty

Marylou opened the meeting at 7:00 PM.

Marylou noted she had spoken with Mona who indicated she resigned from the Budget Committee.

Dave motioned to nominate Carole Brown to fill the vacant position, Bob seconded the motion. The motion passed.

Review Minutes of December 16, 2010

The minutes of December 16th were reviewed and amended.

Mike motioned to accept the minutes of December 16, 2010 as amended, Bob seconded the motion. The motion passed.

Review Minutes of December 30, 2010

The minutes of December 30th were reviewed and amended.

Virginia motioned to accept the minutes of December 30, 2010 as amended, Mike seconded the motion. The motion passed.

The Warrant Article for the fire engine was changed as follows:

Shall the Town of Epsom raise and appropriate the sum of Five Hundred Thirty-Eight Thousand One Hundred Thirteen Dollars (\$538,113.00) to purchase a new Fire Engine with major equipment, hoses and Jaws of Life, and authorize the withdrawal of the same amount of Five Hundred Thirty-Eight Thousand One Hundred Thirteen Dollars (\$538,113.00) from the Fire & Rescue Apparatus Fund for that purpose; no funds to be raised from taxes?

Marylou noted Nancy handed out the Selectmen's estimated revenues; the Budget Committee has to come up with estimated revenues also. Nancy reviewed the information on the sheet.

Line 3186 – Payment in Lieu of Taxes - Brad questioned the decrease in this line. Nancy explained it is for Epsom Elderly Housing that pays only the town and county taxes, not either of the school taxes.

The total estimated revenue for 2011 is \$1,255,358.00.

Joyce motioned to have the Budget Committee's estimated revenues be the same as the Selectmen's estimated revenues, Carol seconded the motion. The motion passed.

Budget

01-4611.2-690 – Land Management - Marylou commented on Alison Parodi's justification for increasing the Land Management line. Marylou did not feel Alison gave enough justification for increasing this line to \$1,000.00.

01-4311.2-110 - Highway Department Full Time Position – At the last Department Head meeting Marylou had suggested the Department Heads create job descriptions. This would make it easier for the Budget Committee to increase salaries. Gordon Ellis increased the salary by 16%, the Selectmen gave the position 8%. It was suggested to increase it to 10 – 11%. Marylou felt they could take the additional money from the Highway Department Rental & Leases line. To increase the raise by 10% the estimated increase would be \$2,900.00, an 11% raise would be \$3,200.00. Virginia would like to see money go toward good personnel. Virginia noted \$38,000.00 was in the Rental & Leases line, asking Keith why the Selectmen did not lower that line as only \$19,000.00 was spent. Marylou noted these were her proposed changes. She noted Gordon has never been happy with the work he was getting done with past employees; she thought this was one way to compensate the current employee; Virginia Drew;

Marylou noted the Fire Department salaries, particularly the Chief's compensation. She did not have a change, she suggested the position is underpaid; the Selectmen need to reevaluate this line.

Joyce agreed with Marylou that Chief Yeaton is grossly underpaid. She could see some lines that could be cut. They include Welfare lines and Legal Fees. Nancy noted Legal Fees are close to \$17,000.00 at this point for 2010 with at least one more invoice due for payment. Nancy noted expenditures for Welfare lines; the Welfare Officer has had an increase in her expenditures. Joyce noted the Town is to be the payer of last resort for housing, etc. The people are to apply other places first. Nancy noted some lines have been over spent.

Dave has spoken with a Selectman from Northwood. They are putting together a salary freeze. Dave feels the raises our employees have received the last few years are irresponsible, especially last year. Dave does not agree with across the board salary increases, he feels they just need to put the fires out. Nancy requested the minutes reflect the raises last year were between 3 to 4%.

Brad had created a spread sheet on government (Town) spending to reflect his concerns. He discussed the spread sheet. His proposal was to level the budget for Town government until they get it under control. Carole asked if Brad had come up with a number for the budget. Brad estimated it would be between zero to \$35,000.00. Keith asked how Brad factored in the additional items from the State and Federal government mandated to the Towns. Carol noted New Hampshire residents pay more in Federal taxes than the State gets in return.

Kevin noted the budget is up 2.7%. The selectmen have to work with the bottom line. Kevin agrees with an increase for the Fire Chief's stipend. Discussion occurred noting the Fire Chief is only part time and not eligible for health insurance.

Mike does not have any issues with the bottom line. He would like to get the budget voted in. Mike noted we do not have control over the lines, once the budget is voted in we do not control the amounts. Mike is concerned with the amount spent on maintenance on Highway Department vehicles in 2010.

Bob listened to Brad. Bob discussed the costs for the school budget. He is also concerned with the number of people who attend public hearings. We can do what we want to do and reduce the budget. Bob noted Chief Yeaton has been training for the Fire Department, runs a business, oversees 4 employees, responsible for emergencies; he is a mature professional manager. He attends many meetings; Bob would endorse a raise for him.

Carole would endorse a raise for Chief Yeaton. He has stayed in place and not asked for compensation.

Carol noted it is the same discussion as we have had for the last three years. The Town has excellent employees; she feels they should be paid fairly. She agrees with Brad, other towns are coming in with a flat budget. She feels the voters are not going to vote for an increase.

Penny verified the amount for Social Security the employees will pay has been reduced by 2%. She asked if employees had received any bonus in 2010, Keith noted no one had. Penny asked what heavy equipment the Highway Department employee operated. Nancy noted the Town does not have any heavy equipment. Dave noted he is very qualified to operate the equipment. He has saved the Town money with his talents. Dave noted Gordon wants to rent an excavator. Discussion occurred concerning the work the laborer has been doing. Penny asked if the F550 is used with the York Rake and if other people also do this. Dave noted it is worth the maintenance costs vs. the costs of renting a grader. Penny feels they should attempt to keep the budget the same as the default budget.

Virginia noted there are many people who are very qualified doing jobs they are over qualified for. The same could be said for the Highway Department laborer. Virginia noted the Town is fortunate to have the employees we have. Regarding the Fire Chief, some day he will retire and she is concerned with finding a replacement. She suggested the Board of Selectmen look not just at a raise, but also at health insurance. She suggested keeping the raise for the Highway Department laborer stay as proposed.

Keith understood the frustrations people have. He understands also the influence of the State and Federal mandates on the budget, to both the Town and school. Regarding the Highway Department laborer the Selectmen reviewed the LGC's salary rates and committed to review again next week. Regarding the Fire Chief he has a strong community commitment. If he did not have his business in Town Keith was sure the Town would be paying more. The Selectmen listen to the Department Heads and look at the requested budgets. The Selectmen did lower some of the lines. There are other employees in Town that deserve higher salaries. Think about the volunteers and commitment we have in the community. If we had to pay for all this, the Town would never afford it. The budget the Selectmen have presented is a bare bottom budget; Keith requested the Committee support it. Virginia noted the State budget is doing cuts.

Penny asked the amount of increase for Police Department Officers, Marylou noted it is 6%.

Discussion occurred as to the status of the Fire Chief, if he is an employee or volunteer.

Marylou noted a lot of issues and thoughts have been brought up. If anyone wants to make changes it has to be to a line. Keith noted the Board of Selectmen would like to know where the Budget Committee would like to have cuts.

Brad motioned to recommend a level funded budget, the same as last year's, Joyce seconded the motion.

Keith noted it could not be done if there are lines that have contracted figures. Bob noted the voters could raise the budget only by 10% but could reduce it any amount. Virginia has reviewed the budget and could only find certain lines that could be cut.

Carole asked the total commitment of contracts; Keith did not have the number.

Marylou commented even when there has been a default budget, they have never spent all that money. Keith noted there are reasons behind it. Keith noted they also have to budget for items the Town receives revenue for. Joyce reviewed the figures for the amounts budgeted vs. the amounts spent.

Carol mentioned they have been spending less for the road budget as they have been repairing disasters and using disaster money to complete repairs.

Mike reiterated the Committee did not know how the Selectmen would allocate the budget, what the later ramifications would be.

The motion failed.

Penny motioned to keep the budget the same as the 2011 default budget presented, Brad seconded the motion.

Discussion occurred that the actual default budget could be different than what has been presented to the Committee. Keith asked if the Committee was voting on the default budget, keep in mind it only has a 1.5% COLA for all Town employees. It was noted the raises contained in the budget would not be in the default budget. Mike noted the Selectmen gave raises last year by moving money around, some members are not pleased with this. Carol noted the Selectmen could do as they would like.

The motion passed.

Marylou noted the Budget Committee's budget would be \$2,678,881.00. Nancy will prepare a line item budget sheet for the Budget Committee for Tuesday.

Old Business/New Business

There was no old/new business.

Dave motioned to adjourn, Virginia seconded the motion. The motion passed.

Marylou adjourned the meeting at 9:36 PM.

Respectfully submitted,
Betsy Bosiak
Recording Secretary