

Approved as amended _____

TOWN OF EPSOM

BUDGET COMMITTEE

DECEMBER 30, 2010

Present: Marylou LaFleur-Keane, Chairman; Joyce Heck, Vice-Chairman; Bob Sawyer; Keith Cota, Selectmen's Representative; Mike Wiggett; Virginia Drew; Brad Keyes; David Fiorentino

Not In Attendance: Carol McGuire; Kevin Reeves; Penny Graham; Mona McGraw

Other Attendees: Stewart Yeaton; Don Harty; George Carlson; Andrew Walton; Dawn Thulin; Wayne Preve; Nancy Wheeler; Mary Frambach; Dick Frambach

Marylou opened the meeting at 7:03 PM.

Review Minutes of December 16, 2010

The minutes of December 16th were not reviewed.

Meetinghouse Committee

Marylou passed out a handout Penny Graham had left for the Budget Committee. George Carlson reviewed the proposed Warrant Article. They do not have the updated estimates for some of the items to be completed. George estimates the final figure would be approximately \$75,000.00. The building does not need a sprinkler system but may require an alarm system; but they do intend to install smoke alarms.

Dave asked the intended use. George noted for large meetings for government bodies and other gatherings citizens may want. Dave asked the quotes they had concerns for; Don indicated the railing was one item. It was noted the type of railings they wanted to install were expensive.

Keith asked if they had a potential cost for the alarm system. There was no cost. Chief Yeaton discussed the State Fire Marshall's Office would make the final decision. He expected to have information next week. Keith suggested they have an update for the meeting on January 11th. Keith noted the options for the use of the building.

George noted there is a Stewardship Agreement with LCHIP. The agreement does note the building would be for public use. George noted the money invested to date; \$408,000.00, including in kind donations.

Dave asked George if there was a way the top floor could be used for Town offices. George noted the historic features, i.e. pews, have to be retained. Items like the pews have to be used within the building if they are removed from their current area. Nancy Wheeler noted the space is not adequate for town offices and a meeting area. Dave felt the bottom floor could be used as a meeting room. Nancy noted the recommendation of the Building Committee was to construct new office space to meet the Town's needs.

Marylou's feeling was if the upper floor was completed then it could be rented out and some of the money invested could be recouped.

Bob asked the opinion of the Board of Selectmen. Keith noted he was only one Board member. He noted the space down stairs was approximately the same size as the old Town office space and there were also handicapped access issues. The discussion of the Board was to complete the first floor and work from that.

Andrew Walton noted last year there was a Warrant Article for \$350,000.00 to complete the building. The Budget Committee did not recommend this article. He discussed the increase costs presented in the last weeks for the completion of the first floor. He felt the Budget Committee did not have enough information to recommend the costs. He noted the Town was not in the real estate business.

George noted Penny had submitted for additional grant money but the Town was refused as there is no vision for the building and no one using it at this time. George passed out copies of a fact sheet to the Committee members.

George, as a licensed septic system designer, has designed a system that could fit and could be approved by the State. Keith noted he agreed with George. The system would be big enough for use by meeting rooms up and down stairs, Town Office addition and the Old Town Hall. George noted he has not submitted to the State as it costs money and approvals do expire. George has met with the Water District; the line from the Old Town Hall could be extended.

Warrant Article

Keith reviewed the proposed draft articles for 2011.

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?

Keith noted this Article has passed every year.

Shall the Town of Epsom raise and appropriate the sum of Ten Thousand Dollars (\$10,000.00) to be added to the Capital Reserve Fund previously established for the purpose of purchasing motorized vehicles and equipment for the Highway Department?

This article would help offset the cost of new equipment for the Highway Department. As of November 30 there is \$35,000.00 in this Capital Reserve Account.

Shall the Town of Epsom raise and appropriate the sum of Thirty Thousand Nine Hundred Dollars (\$30,900.00) to pay for six months' salary and benefits for one (1) additional full-time police officer?

This article is for a half year salary and benefits for a full time police officer. Next year the budget would include a full year's salary and benefits. At his presentation Chief Preve noted reasoning for the need of an additional officer.

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 withdraw 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?

This article has the least impact to the Town. The money would come from the Fire Apparatus Account. There are sufficient funds in the account to purchase the engine. The Fire Department is looking at purchasing a Pierce engine. Chief Yeaton noted they had received two bids. They are replacing one truck they currently have. The Fire Department Committee went with a truck they felt would last the Town twenty to twenty-five years. Chief Yeaton noted some of the specifications for the truck and its equipment. Brad asked if it looked as if the fund could continue to pay for large equipment in the future. Chief Yeaton indicated it should. Dave asked what would become of the old truck; Chief Yeaton noted it would be traded in.

Keith noted in the Capital Improvement Plan the Fire Department had over 1.1 million dollars in large equipment expenditures over the next five years.

The wording of the article was discussed to make it clearer to the voters where the money would be coming from.

Discussion ensued regarding putting the amount of the tax impact after each Warrant Article with Keith noting the LGC had indicated the tax impact should not be included. Keith noted the Legislative body had to change the statutes to allow this; the Selectmen have requested our legislators look into changing the statutes.

Shall the Town of Epsom raise and appropriate the sum of Sixty-Seven Thousand Five Hundred Eighty Dollars (\$67,580.00) for the construction of a septic system and connection to water service for the Meetinghouse and to install electrical wiring, and build a bathroom and rear exit porch with stairway on the upper floor of the Meetinghouse so that an occupancy permit can be obtained?

Discussion about this article had occurred previously.

Shall the Town of Epsom raise and appropriate the sum of Twelve Thousand Nine Hundred Dollars (\$12,900.00) to repair and paint the exterior of the Old Library Building?

The building is in need of painting. The cost is higher as the siding is redwood and the current paint is lead based; both creating a need for additional care. Marylou asked if the Selectmen had considered using the Morrison funds; Keith noted they had discussed its use, but had not determined to use the funds for this item.

Shall the Town of Epsom raise and appropriate the sum of Thirty Thousand Dollars (\$30,000.00) to be added to the previously established Capital reserve Fund for Revaluation of the next required revaluation in 2015?

The purpose is to offset some of the funds that would be required for a full revaluation. Marylou asked Keith to explain why the money was taken out of the budget; it had been in the budget in previous years. Keith noted when the Warrant Article was proposed the Selectmen were looking at an RFP for assessing. Previously the Town had a contract with Avitar for \$35,000.00 a year for 5 years. The Selectmen have entered into a contract with Avitar for the yearly assessing costs only at this time.

Shall the Town of Epsom establish a Trust Fund per RSA 31:19-a, for the purpose of cemetery maintenance and repair and raise and appropriate the sum of One Thousand Five Hundred Dollars (\$1,500.00) for this fund and name the Cemetery Trustees as agents to expend the fund?

This article is to set up a Trust Fund for Cemetery maintenance and repair. A Cemetery Trustee indicated to the Selectmen it was difficult to complete work with the funds available. It was suggested this fund be set up for the Trustees to have money to complete necessary maintenance and repairs.

With Nancy's assistance Keith reviewed the preliminary Default Budget developed by the Selectmen. The total currently is \$2,678,881.00. The increase over last year's budget is \$27,224.00; the Selectmen have no control over this increase. Nancy noted the default budget can be revised up to the time the ballot is printed.

The Police Department's budget was reviewed as Chief Preve was present. Chief Preve noted the proposed salary increases for the Department's personnel. The proposed increases are 6% for the Sargent and officers, 3% for the Chief and 2.5% for the Administrative Assistant. Brad asked the number of officers lost this year; Chief Preve noted one officer to Chichester. Keith noted in his term as Selectmen they have lost four officers. Each has indicated they left due to monetary issues.

Dave asked if Epsom was the only town having the issue of losing officers; Chief Preve noted many towns have the same issue. Epsom has a rotating shift schedule with the ability to change shifts with other officers. Dave asked if it was possible there are other reasons the officers are leaving; Chief Preve indicated only if the officers are not telling the truth at the exit interview. Keith noted the reasons at the exit interviews were money, schedule and benefits.

Marylou asked if the 6% salary increase is approved this year what percentage of increase would Chief Preve request the following year. He noted somewhere in the 3 to 4% range.

Budget

Nancy explained that the budget the Budget Committee is working with was developed by the Department Heads and Selectmen. The budget presented at the public hearing and deliberative session is the Budget Committee's budget. It is Marylou's goal to have agreement by Committee members prior to the public hearing.

Nancy suggested the Committee look at the bottom line to determine if they are satisfied with that number. They could then work from there if they would like to make reductions in the budget. The increase is 2.71% from last year.

Discussion occurred as to if the money for the revaluation should be in the budget. The budget would increase approximately 3.8% with the inclusion of this money. Marylou asked members' thoughts if this money is added. Keith noted \$44,000.00 of the budget increase is for items the Town has no control over.

Brad discussed his looking at the tax increases percentage wise, noting the Town has been increasing at a percentage rate larger than the school. He is concerned that there should be some constraint somewhere. Keith noted some of the increase is due to State/Federal legislation that mandate items the Town has to deliver which are unfunded by the State or Federal governments.

Virginia noted she has looked at lines with the judicial and legal expenses, she asked what it is for. Keith explained it is for anything dealing with a legal interpretation. It is based upon an hourly rate.

Bob asked Brad how he would fix the problem of the percentage increase. Brad did not have definitive answers. He noted one area is health insurance with the Town having to tell the companies they only have so much money to acquire health insurance. Keith noted the study that was completed with other towns and it was found the insurance provided by the LGC was the best investment for the Town. Nancy noted the insurance increased 1.5% for one plan the town has with the other plan having a decrease in cost.

Having the money for the revaluation in the budget or as a Warrant Article was reviewed and discussed.

Andrew noted in his opinion the Employee Handbook has a loop hole that employees can receive a COLA within a default budget. It is a loop hole that could be closed. Last year the Selectmen moved \$31,000.00 within the default budget. The increases are part of the default and regular budget this year. Andrew questioned how the selectmen came up with the \$31,000.00.

The discussions will continue next week.

Old Business/New Business

There was no old/new business.

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

Marylou adjourned the meeting at 9:25 PM.

Respectfully submitted,

Betsy Bosiak
Recording Secretary