

TOWN OF EPSOM

BUDGET COMMITTEE

SEPTEMBER 23, 2010

Present: Marylou LaFleur-Keane, Chairman; Joyce Heck, Vice-Chairman; Carol McGuire; Brad Keyes; Mike Wiggett; Kevin Reeves; David Fiorentino; Mona McGraw; Penny Graham; Bob Sawyer; Virginia Drew

Not Present: Joanne Randall

Other Attendees: Patrick Connors; Peter Aubrey

Marylou opened the meeting at 7:00 PM.

Review Minutes of June 10th and Other Administrative Items

The minutes of June 10th were reviewed and amended.

Dave motioned to accept the minutes of June 10, 2010 as amended, Mike seconded the motion. The motion passed.

Marylou reviewed the budget process. The Selectmen and School Board present budgets to the Budget Committee, the budgets can be amended. The budgets presented at the deliberative sessions are the Budget Committee budgets; the voters may amend the budgets at that time. What is passed at the deliberative sessions is voted on in March. Marylou does not want to micro-manage department budgets, but wants to know what the departments require and want.

Mike noted that School Board and also the Board of Selectmen are responsible for bottom line and can move money around. Carol noted if a warrant article is voted down neither Board can spend money on that item. Marylou hoped the Selectmen and School Board listens to what the Budget Committee says during the meetings.

Also discussed was the Budget Committee is to see the default budget prior to the public hearing per the RSA. Penny noted the Selectmen wait until after the Budget Committee votes to complete the default budget.

Marylou gave Committee members a handout of when departments are to present to the Selectmen. She noted the department liaison should be present when their departments are reviewed and members should try to attend all the sessions.

Virginia noted she would be out of town when her departments are presenting to the Selectmen, she will meet with the department heads prior.

The Budget Committee meeting schedule was reviewed with Marylou noting two meetings were scheduled the week of November 15th due to Veterans Day being on a Thursday. On November 16th the Selectmen would present the actual year to date and proposed budgets.

Marylou noted the Budget Committee cannot change a Warrant Article, they can only vote to recommend or not recommend. Betsy explained if there is a change in the Warrant Articles at the deliberative sessions, either the Selectmen or School Board have to vote to recommend/not recommend and then the Budget Committee votes. Discussion ensued even if the Committee votes to not recommend a Warrant Article it still goes to the Town for a vote. Joyce noted if there is a dollar amount in an item, it can be reduced to zero at the deliberative session.

Marylou attended the Budget and Finance workshop. She had asked if the salary lines could be increased in the default budget being told it depends upon who is asked. Penny also asked the question and was told the same thing. It was suggested an e-mail be sent to the LGC to obtain a response in writing.

Presentation of Year-End Financial Report by Epsom Central School

Peter Aubrey, SAU Representative, presented the year end actual for FY 09/10. In total \$73,124 was returned to offset taxes. He noted the School cannot carry a deficit for food services with money being allocated in the budget to offset the deficit.

Marylou asked if any money would be going to trust funds, none will be.

Joyce asked about high school tuition, more money was in the line than spent. It was explained the School Board has to budget for all students who could attend Pembroke Academy based at the survey of families during the budget process; several attended private schools with no tuition outlay.

The equipment line was overspent as the school had to purchase fire proof cabinets. The Special Placements line and Diagnostics line are in the negative. It is not known at budget time the exact number of children with the possibility of one or more children changing the budget for the entire school population.

Carol noted the salaries line was under ran with overages in fringes; Mr. Aubrey noted that health insurance was a significant contributing factor along with retirement costs. The State, due to budget issues, shifted 5% of their share for retirement back to the towns.

Virginia noted the overspending of the Field/Grounds Improvement line. Mr. Connors noted the wiring between the modular units and the main building had to be replaced. The School Board decided to repave the lot along Black Hall Road at the same time. A sidewalk was also created along the building for students to walk on that are being picked up. Drainage on Water Street was also repaired.

Marylou noted the State could reduce the Catastrophic Aid money from 85% to 67%. Mr. Aubrey noted the State's problems were affecting the schools, the last he saw the money would be reduced to 69%. Mona asked what Catastrophic Aid was. Mr. Aubrey noted it was services for children with only certain costs being reimbursed, specifically special.

Mr. Aubrey noted that over half of the over expenditure of the Building R & M line was caused by the replacement furnace.

Mona asked what the Advertising line included; Mr. Connors noted meetings or vacancies.

Marylou asked about the teacher contract, Mr. Connors noted they are negotiating now for a March vote.

Mona asked what expenses were for the Building R & M line and the Facilities line. Mr. Connors noted the Building R & M line was spent for inside repairs. The Facilities line was used to repair air conditioning for the computer lab and computer service area.

Mona understood conditions required the wiring to the modular units to be redone. Money was in the CIP to pave the lots in 2012, it did not seem this work needed to be done. It was categorized as a 5 then. She asked why the paving needed to be done and why the entire front lot was paved. Mike explained there was surplus money, knowing the area would be torn up to make repairs the School Board decided to do the paving now while they had money rather than wait. Further discussion occurred regarding the existing wiring, its location and what had to be disturbed to repair the wiring.

Mona was for safety but questioned the list in the CIP, i.e. a generator. Mr. Connors noted an empty pipe for the generator was installed to the center island. It would be protected by shrubs or a fence if installed. The school would not be purchasing a generator, but the Town.

Marylou noted the CIP is currently being updated, items were put on that were a "wish list". The Departments know the Committee will be looking at the CIP this year.

Mr. Connors noted with a change in School Board members the goals changed.

Carol asked if there was a Capital Reserve Fund for school repairs, Marylou noted there is.

Bob asked about staff turnovers. Mr. Connors noted they do not have a lot of turnover, some staff retire or move. Most of the support staff lives in Town.

When the school budget would be presented to the Committee was discussed with December 16th being tentatively date.

General Discussion

Marylou asked if Committee members had thoughts or suggestions about the budgets.

Penny had copies of the Board of Selectmen minutes that indicated where money came from for employee pay raises. Marylou will scan and e-mail copies to Committee members. Discussion ensued it was discouraging to Committee members that the Selectmen considered there was no surplus in the budget, but when they wanted to give pay raises they found a surplus. The raises were in the budget that did not pass. Marylou noted the Selectmen gave raises the Budget Committee had determined. Brad noted what was done was legal, but it went against what the Town said.

Penny noted the money moved around was in the default budget but the Selectmen waited to do the change after the Town vote. She felt if the School Board returned a surplus then the Town should also.

Virginia discussed how the School Board determines the high school tuition by counting all the eligible students and subtracting some. Brad was concerned with \$250,000.00 over. Mona is concerned there is no high school bus. Virginia noted there was a free high school bus for one year. Parents stopped using the bus when the cost they had to pay became excessive. Mike

noted this year they also had to include students who had dropped out at 16, but now had to return until they turned 18; they did not know how many students this would include.

Old Business/New Business

There was no Old/New Business.

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

Marylou adjourned the meeting at 8:20 PM.

Respectfully submitted,

Betsy Bosiak
Recording Secretary