

Approved with Amendments
December 9, 2005

TOWN OF EPSOM
BUDGET COMMITTEE MINUTES
NOVEMBER 17, 2005

Present: Steve Warner, Chairman; Dorothy Duclos; Richard Fowler; Gary Kitson; Joyce Heck; Ed Nutter; Larry Yeaton; Julie Clermont; Harvey Harkness; Andrew Turnbull; Betsy Bosiak, Secretary

Absent: Bobbie Humphrey; Bobbie Aversa

Steve opened the meeting at 7:00 PM.

The Committee reviewed the minutes of September 15, 2005.

Julie made a motion to accept the minutes as amended.

Larry seconded the motion.

Steve asked if there was any discussion on the motion. There being no discussion on the motion. Steve called for a vote.

The motion passed unanimously.

Andrew discussed the 2004/2005 year end numbers, which ended with a \$25,000.00 surplus.

The surplus was discussed due to the warrant article to raise an additional \$70,000.00 in March to cover a potential deficit.

He indicated the School Board has not started working on the 2006/2007 budget. They plan to begin next Monday. He would like to present this budget on December 15th.

Dodie asked if the \$72,000.00 they have would remain with the school money or go back to the general funds.

Joni Kitson stated it could only be spent on what it was allocated for.

Dodie asked if they could recover additional Medicaid money if they ran short.

What money has been billed for has been received. It is under budget due to fewer billings than expected.

Andrew indicated he would have to get an answer to that question.

Andrew discussed cuts the School Board made for the default budget, i.e. \$18,000.00 for sports which parents have to pay a fee if their child wants to play a sport.

Salaries and fringe benefit figures (increased costs of health insurance, retirement) were discussed.

Dodie felt the School board should have those figures before doing the budget if they are contracted and there should not be such a large variance between what is budgeted and what is actually spent.

Andrew thought the variances were caused by a change in the software being used by the SAU and things are accounted for differently now with all fringe benefits together rather than in separate areas. The salary differences could be caused by more experienced teachers leaving and the hiring of less experienced teachers.

Steve asked if there was anything Andrew wanted to highlight on the Form 25 (State report).

Andrew explained the summary page.

Having expenditures for the 2005/2006 year available was discussed with Andrew indicating he would have them for the second meeting in December. It was determined Andrew would discuss the 2005/2006 budget on December 8 and the 2006/2007 budget on December 15.

Steve asked Andrew to discuss warrant articles and the rumors that Pembroke Academy may no longer accept Epsom students.

Andrew said it is a rumor Epsom students would not be accepted at Pembroke Academy. He wouldn't say they are people there who would like to remove the Epsom students from the Academy.

Expiration of the contract (8 to 9 years) was discussed with potential lead time if Epsom students are not going to be accepted (2 to 3 years).

Andrew felt this would have to be approved by the State also.

Larry felt all the towns made that school and questioned why one town would have to leave without some type of financial aid.

Online Version

Andrew stated it was not a cooperative school district, a sending/receiving district and there is nothing to say Epsom would not have financial aid.

Harvey suggested the SAU collect information and present it to the Budget Committee as to what could occur if Epsom students were not accepted to Pembroke Academy.

Andrew said they have not discussed potential warrant articles. He had a sense something might happen with the building addition. They have population information with numbers to indicate the enrollment is decreasing.

Ed requested to see the projections presented to the building committee. He asked the number of employees at the school.

Andrew said there are 41 certified staff, 22 paraprofessionals and 12 custodial, etc. Negotiations are underway with the teachers and paraprofessionals.

Items lost due to the default budget were discussed with Andrew stating there has not been a lot of discussion out of school. They are doing what they can with what they have. He discussed a portion of the building addition was to upgrade the existing building, i.e. heating system, bringing things up to code.

Steve asked Julie to take them through the town budget.

Julie thought they were fairly much on target. She has not heard a lot of grumbling regarding pinching pennies. She said they have more money left than expected due to some employee changes, paying less rent than anticipated.

Harvey asked about warrant articles.

Julie said she had heard of the usual from the Road Department and maybe an ambulance.

The current office rent (\$26,000.00) was discussed with the contract for a five year period.

Ed asked if there was a backup for all town records if there was a fire.

Julie discussed the fire resistant room, but did not know if the computer records were backed up.

Harvey asked her to take the discussion back to the Selectmen.

Harvey asked if the Road Department had taken the Budget Committee's suggestion and split out its items.

Online Version

Steve discussed the Selectmen liaisons to departments and what was generally presented by the Police and Fire Departments.

It was discussed if Epsom pays an average wage then they should have experienced employees, which it does not have.

The potential ambulance warrant article was discussed.

Larry said the Fire department wants to keep the existing ambulance also.

It was discussed the ambulance does not pay for itself, but often two ambulances are needed.

The committee returned to the discussion of the Road Department with Larry indicating they want a 43% increase (\$274,000.00 more).

Steve discussed he had spoken with Nancy Wheeler as to how the Road Agent actually gets receipts to the billing office so maybe expenditures could be documented. Nancy provided him with a 2 month breakout so they could see where the money goes. Steve discussed information he had gathered from other towns he talked with.

Harvey stated the Road Agent still does not have a long term plan.

Ed discussed in business there is a vice president of finance and auditors who oversee expenditures. He asked when the town gets a bill do we get our money's worth (product is delivered as stated).

Steve said that is the job of the Road Agent.

It was discussed the town systems should have checks and balances and what system the school has.

Gary Kitson said the original RAC used to work with the Road Agent for projects, putting bills with projects and also a system to know how much is being spent on each road.

Dodie asked why this system is no longer used.

Julie said the RAC Charter was rewritten with the feeling not as much oversight was needed as they had a full time Road Agent.

Gary said they had a full time Road agent in the past also, but there was more accountability before so problem spots could be tracked which is not possible now.

Harvey asked how the Selectmen review the bills from the Road Department.

Online Version

Julie said bills are reviewed every week with questions left to the liaisons. She said road files are maintained.

Harvey asked if the Road Department is held to the same standards as the Police and Fire departments.

Julie said they all punch a time clock and the Selectmen have grown away from the tight accountability. When the RAC appointments ran out the charter was reviewed, but they may have to look at it again as a lot is slipping by. There has been 2 years with no review of the Road Department budget by the RAC.

Gary said the Budget Committee is responsible to the taxpayers and people don't like it when there is no accountability.

Julie encouraged people to sign up for the RAC and request more accountability.

Gary said he felt the same way about all departments and the school regarding accountability.

Harvey asked if it was inappropriate for them to ask the office for a breakout of project costs.

Steve said he has, but he hasn't had time to meet with Nancy to get a description.

It was discussed they had a similar dilemma as last year re what line items mean in the road budget.

Julie asked Steve to bring in what they would like to see for line items.

It was discussed what type of breakdown was requested and what do the headings mean for the various lines. What could be presented was discussed also.

Harvey said they are left with the same problem as last year and no one is fixing it.

Julie said Nancy was willing to give the information.

Further discussion ensued as to how to verify data with a project with Joni saying that information should come from the road files. Asking the Selectmen to break out the Road Department funds was discussed.

Rob Topik asked if they were as concerned with where the time was spent as to how the time was spent.

Steve said it would be a way for the Budget Committee to understand how the expenditures for the Road Department were allocated; they would like more detail for the large line items. How the Road Agent spends his time is not a purview of the Budget

Online Version

Committee, but of the Selectmen. He is trying to understand how it all fits together so he can bring the information to the Budget Committee.

Gary discussed the Water District's proposed budget.

He did not have it on paper, but they are looking at a 2% decrease over last year. The long term debit is going down with no heavy testing this year. The operator expense is increasing 5% with the water rents to remain the same.

Gary handed out the proposed cemetery budget. Last year they spent \$11,150.00.

Harvey asked the cost of the lots.

Gary said \$200.00 each.

Harvey said it was a goal of the Selectmen to make all departments self sustaining.

Gary said due to the current interest rates the cemeteries may not be self sustaining. When they sell all the lots they have to purchase more land, as the town has to have a place to bury its people.

Joyce heck discussed the propped library budget. She said they are asking for \$6,200.00 more due to additional expenses for the increased space. She discussed the work occurring on the site. They have over \$839,000.00 in pledges and payments with the total cost being over one million dollars. She said last year's warrant article did not include interior costs. The committee has written over 50 grants with hopes to move into the new building by late spring.

Larry said the Selectmen voted to have Adam Towne move gravel and pay him \$25,000.00.

Joyce said the Welfare Officer is requesting \$400.00 less with the Health Officer requesting \$2,500.00 more (mostly in salary). He is doing a more sophisticated job than in the past. He is paid a set amount each month.

Harvey said the library bond collected almost \$9,000.00 in interest.

Julie said the money has been moved to a different account, as it has to be liquid.

Joni said the first year's interest paid by the town was over \$5,000.00 so the \$9,000.00 was not all revenue.

Steve said the School Deliberative date is February 8 at 6:30 PM.

Online Version

Steve received a note from Bobbie Humphrey indicating she had to resign from the Budget Committee. Steve has one person interested, but asked if members had any thoughts to contact him.

Ed made a motion to adjourn.

Julie seconded the motion.

Steve asked if there was any discussion on the motion. There being no discussion on the motion. Steve called for a vote.

The motion passed unanimously.

Steve adjourned the meeting at 8:55 PM.

Respectfully submitted,

Betsy Bosiak
Recording Secretary