

TOWN OF EPSOM
BUDGET COMMITTEE
JANUARY 7, 2020

Present: Marylou LaFleur-Keane, Chairman; Joni Kitson, Vice Chairman; Gary Kitson, Water District Representative; Len Gilman; Virginia Drew, Selectmen's Representative; Mary Frambach; Linda Hodgdon; Penny Graham; Joyce Heck; Meadow Wysocki; Tony Soltani;

Not in Attendance: Bill Yeaton, School Board Representative

Other Attendees: Nancy Wheeler; Cheryl Gilpatrick; Alison Parodi-Bieling

Marylou opened the meeting at 6:34 PM.

Marylou noted Alison would be presenting information for the Conservation Commission and Swimming Lessons.

Swimming Lessons

Alison noted the budget is the same for Swimming Lessons as last year although the number of children each year is unpredictable. She noted that fees are also collected. There were 45 children that participated with 5 aides that have been trained as assistants. The aides are paid after they go through the course the first year. Linda asked the fee with Alison noting it is a \$5.00 cost per child. If a family is struggling the fee has not been charged.

Conservation Commission

Alison noted the grants they received last year to assist with the purchase of 190 acres before the property went on the market (\$47,000.00 LCHIP grant and another grant of \$10,000.00). She noted it is important to have funds if property becomes available. Virginia noted a local business donated \$10,000.00 as their clients use the trails in the forest and surrounding areas that have easements.

Alison noted they try to do most of the maintenance and trail management with volunteers.

Nancy noted the Conservation Fund is held by the Treasurer. Linda asked the balance of the fund, it is \$160,634.00. Alison noted the amount to be spent from the fund (\$120,00.00) for the above purchase.

Alison also discussed other parcels that are conservation easements which are being

pursued. Linda asked if there was a long-term plan. Alison noted they are close to where they want to be for purchases. Gary confirmed that only one further purchase is being considered with Alison discussing the costs to obtain the easements, i.e. survey, legal fees, etc.

Len confirmed property under easements are usually in current use and taxes are still paid when a conservation easement is put on a property.

Alison noted she had received a Moose Plate Grant to remove, refinish and reinstall the gate at the McClary Cemetery.

Alison discussed asking for an additional \$10,000.00 for the Land Acquisitions & Easements Line (01-4612.1-310). The Committee was not in favor of increasing the budget for the Conservation Commission and discussed reducing the line due to other more pressing expenses this year.

Len motioned to reduce the Land Acquisitions & Easements Line (01-4612.1-310) to \$8,000.00; Joni seconded the motion.

Meadow asked if they had enough funds to complete the current acquisitions. Len noted he felt with the budget cuts he was concerned.

Alison discussed the acquisitions they would like to complete. Linda asked about the \$38,000.00 in the Land Conservation Capital Reserve Fund. She also noted that there was \$40,000.00 in the Land Acquisitions & Easements Funds. Meadow noted the Committee was concerned with passing a budget.

The cost of the purchase of the 40 acres from the Zwespers will be about \$30,000.00 plus expenses. Virginia noted a past newspaper article that noted New Hampshire has an abundance of conservation land.

Alison noted the amount the Conservation Commission receives from the payment of property taken out of current use (10%) which is low based on what other towns allow.

The reduction in the line was discussed.

The motion passed by a vote of 6 yes, 5 nos.

Meadow motioned to reduce the Land Acquisitions & Easements Line (01-4612.1-310) to \$5,000.00; Len seconded the motion.

Len noted that Alison has done a great job. Virginia noted that she is going to have to present a budget increase of \$5,700.00.

Meadow noted that the funds could be increased in the future. Gary noted the residents are still paying taxes and an easement is not something that will benefit them. He noted

an easement could be obtained in the future.

Tony noted that wildlife is a major factor. He did not know what damage it would create for the program. Tony asked what project it would slow down, Alison noted it would slow down the acquisition of easements. She noted the work is completed; it just has to be paid for. The money could come from the Land Acquisition Fund, but she would like to complete the land acquisition.

Alison noted the transaction fees for the 190 acres was estimated at \$36,000.00 but will be approximately \$30,000.00. She noted the cost includes a survey and appraisal.

The Zwesper purchase was discussed as to the cost. Virginia noted she feels terrible we are in this position, discussing the increases in the budget. She noted there are things the Town has to pay for, but it is a difficult year and cuts have to be made somewhere.

Joyce noted the increases in salaries, including the additional pay period. She felt there are other areas that could be reduced. Virginia noted there were no pay increases last year for employees.

Mary did not understand why the money in the Land Conservation Trust Fund (\$38,000.00) could not be used. Mary confirmed the Zwesper property would be purchased and would be removed from the tax rolls.

The motion passed by a vote of 8 yes, 3 nos.

Warrant Articles

The committee reviewed the Preliminary Warrant Articles.

Article 1: 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 \$ ____? Should this article be defeated, the operating budget shall be \$ _____, 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.

The operating budget is estimated to be a \$. to the 2019 Tax rate
The default budget is estimated to be a the 2019 Tax rate

The Committee did not review this Article at this time.

Article 2: Shall the Town vote to establish a contingency fund for the 2020 year for unanticipated expenses that may arise and further raise and appropriate the sum of twenty thousand dollars (\$20,000.00) from the Unassigned Fund Balance to go into the fund? No

amount to be raised from taxation. Any appropriation left in the fund at the end of the year will lapse to the general fund. Majority vote required. This Article and its appropriation are in addition to the operating budget.

No tax impact.

Linda asked if this was a standard article. Virginia noted that it is but they increased the amount to \$20,000.00 to assist with additional expenses that may arise.

Joni asked if anything was used from this fund in 2018 or 2019. Virginia indicated no.

Virginia noted that due to a Federal Law Change an employee will have to be paid an additional salary.

Nancy discussed the reason for the Warrant Article and why the State Legislature passed the RSA to allow for a Contingency Fund. It assists the Towns so they do not have to have a Special Meeting if funds are required and the budget is overspent.

Penny asked how the Selectmen can spend the funds. Virginia noted there is a criteria the Board has to follow to expend the contingency funds. Nancy further discussed the contingency funds.

Gary feels the money is coming from the Undesignated Fund and the Article should indicate that the money was raised by previous taxation. Linda noted she thought the wording came from the Municipal Association or DRA. Meadow noted that not all of the funds in the Unassigned Fund Balance are from taxation. Part of these funds are from other revenue sources. If the Warrant Article is changed to reflect the statement "Unassigned Fund raised by previous taxation" it would not be an accurate statement and could risk the entire Warrant Article being thrown out because a false statement was made.

Virginia noted that the contingency funds cannot be spent unless the budget goes over the bottom line. Joyce thought there was no reason to increase the amount. Virginia noted if there is another default budget, they may need to use the funds this year.

Nancy further discussed the Undesignated Fund. Tony asked if there were other purposes the money in the Undesignated Fund can be used for besides offsetting taxes. Nancy noted for legal settlements, BTLA settlements, etc. She noted the Contingency Funds are lapsing.

Gary asked Virginia the reason for increasing the amount. Virginia noted the concern with having a default budget. Nancy noted that she recommended the increase with people leaving, potential increased heating costs, etc. Gary thought the Town just has to tighten its belt. Virginia noted if it is not needed then it is not spent. Gary felt there were too many variables. Virginia noted the Selectmen thought it was prudent to have the funds available.

Tony confirmed the Committee could not amend the article, only recommend or not recommend.

Marylou reviewed the procedures for the Public Hearing next week. She noted the time to change the articles is at the Deliberative Sessions.

Len disagreed and asked if there is a way to include “no new taxation this year or taxes previously raised”. Joyce asked if there could be an explanation sheet. Virginia noted that there is a cost for a sheet and asked who would pay for it.

Nancy noted the wording is as DRA requires. Tony discussed the issue that the impression is wrong that the Undesignated Funds were not raised by taxation. Nancy noted that it could be changed by the Selectmen at their meeting next week.

Virginia noted that the premise of an SB 2 town is people are educating themselves. It was noted that people do not understand all the Warrant Articles.

Tony motioned to revise the wording to insert ... Unassigned Fund Balance, previously raised by taxes, to go into the fund. No amount to be raised by this year’s taxation, Len seconded the motion. The motion failed.

Virginia noted that the wording is set by statute. Tony asked for the statute; Virginia obtained the guidance with Tony reading it for the Committee.

Nancy discussed the language, noting it could be discussed at the Board of Selectmen’s meeting Monday. Nancy noted the wording has been the same since she has been at the Town.

Joni noted that it shows at the bottom of the article that there is no need to raise the funds by taxation, it does not have to be in the article. Gary noted it could say “no money to be raised in 2020” from taxation.

Len noted let’s see what can be done, and if nothing can be done, leave it for this year and see what can be done for next year.

Virginia noted she would look further into this. Linda asked if adding the wording in 2020 would also confuse people.

Len noted that the average person has not received a raise in many years with a concern in passing the budget. Gary noted that if adding “not to be raised in 2020” you could educate the person that it has already been raised.

Article 3: Shall the Town raise and appropriate the sum of four thousand eight hundred dollars (\$4,800.00) from the Unassigned Fund Balance as of December 31, 2019, which is equivalent to the total amount of cemetery plot sales for 2019, to be added to the previously established Cemetery Maintenance Expendable Trust Fund? No amount to be

raised from taxation. Majority vote required. This is a Special Warrant Article and its appropriation is in addition to the operating budget.

No tax impact.

Gary noted that all the funds came from plot sales so it is a true statement. Nancy noted that it was put as a revenue for the Town. Nancy noted that an article could be put in to move this money without an article every year.

Article 4: Shall the Town raise and appropriate the sum of thirty-five thousand dollars (\$35,000.00) to replace the roof on the library? Majority vote required. This is a Non-Lapsing Warrant Article and will not lapse until the project is completed or December 31, 2025, whichever comes first. This appropriation is in addition to the operating budget.

Estimated tax impact is \$.08 per thousand

Gary asked if bids were to be obtained. Nancy noted they did not at this time. Estimates were received in order to obtain the amount in the Warrant Article.

Article 5: Shall the Town raise and appropriate the sum of four thousand dollars (\$4,000.00), to be used by the Northwood Lake Watershed Association to control Milfoil in Northwood Lake? Majority vote required. This appropriation is in addition to the operating budget.

Estimated tax impact is \$.01 per thousand

Linda noted this article has been in for a number of years.

Article 6: Shall the Town raise and appropriate the sum of fifteen thousand dollars (\$15,000.00) to be deposited into the Capital Reserve Fund previously established for the potential future expansion of the public water system? Majority vote required. This is a Special Warrant Article and its appropriation is in addition to the operating budget.

Estimated tax impact is \$.03 per thousand

Gary asked if the Selectmen could speak to this article when it comes to the floor at the Deliberate Session rather than pass it to him. He noted it is not part of the Water District.

Article 7: Shall the Town vote to raise and appropriate the sum of twenty-five thousand dollars (\$25,000.00) to be deposited into the Capital Reserve Fund previously established for a future Town Office? Majority vote required. This appropriation is in addition to the operating budget.

Estimated tax impact is \$.06 per thousand

Virginia noted the lease for the current office space is up in December 2020. The Selectmen are beginning to look into other locations, but have no plans at this time. Virginia noted that the Board recommendation changed to 3 – 0 after a discussion. Nancy noted that it has to be revoted on Monday if that was the case.

Penny asked about the wording. It needs to indicate it is a Special Warrant Article.

Article 8: Shall the Town vote to raise and appropriate the sum of twelve thousand eight hundred dollars (\$12,800.00) to purchase ten (10) portable radios for the Fire Department, and further authorize the withdrawal of the same amount of twelve thousand eight hundred dollars (\$12,800.00) from the Fire and Rescue Apparatus Fund for that purpose? No amount to be raised by taxation. Majority vote required. This is a Special Warrant Article and its appropriation is in addition to the operating budget.

No tax impact

Article 9: Shall the Town 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.

Estimated tax impact is \$.35 per thousand

Article 10: Shall the Town 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? Majority vote required. This is a Special Warrant Article and its appropriation is in addition to the operating budget.

Estimated tax impact is \$.02 per thousand

Article 11: Shall the Town raise and appropriate the sum of twenty-five thousand dollars (\$25,000.00) to be added to the Capital Reserve Fund previously established for the purpose of bridge replacement and repair? Majority vote required. This is a Special Warrant Article and its appropriation is in addition to the operating budget.

Estimated tax impact is \$.06 per thousand

Article 12: Shall the Town raise and appropriate the sum of eighty-two thousand dollars (\$82,000.00) to purchase a new 19,500 pound dump truck equipped to plow snow for the Highway Department, and further authorize the use of fifty thousand dollars (\$50,000.00) from the Motorized Vehicles and Equipment Capital Reserve Fund to pay part of the cost, with thirty-two thousand dollars (\$32,000.00) to be raised by taxation? Majority vote required. This is a Special Warrant Article and its appropriation is in addition to the operating budget.

Estimated tax impact is \$.07 per thousand

Len asked if they were sure if they wanted to leave in the 19,500 “pound” dump truck. Virginia noted that the Road Agent did not want to limit the type of vehicle which is why he worded it that way. It was discussed that the wording should be “gross vehicle weight” and remove “pound”. Virginia noted it would have to go to the Road Agent and the Selectmen.

Article 13: Shall the Town raise and appropriate the sum of twenty-five thousand dollars (\$25,000.00) from the Unassigned Fund Balance as of December 31, 2019 to be added to

the previously established fund for the maintenance of Historic Town-owned buildings? No amount to be raised from taxation. Majority vote required. This is a Special Warrant Article and its appropriation is in addition to the operating budget.

No tax impact

Virginia noted the wording in 2020. Meadow asked about having the date “December 31, 2019” in the warrant article. Nancy noted all articles would say the same thing.

Article 14: Shall the Town establish a Government Buildings Maintenance Expendable Trust Fund per RSA 31:19-a, for the maintenance and upkeep of town buildings and to raise and appropriate ten thousand dollars (\$10,000.00) to put in the fund, with this amount to come from the Unassigned Fund Balance; further to name the selectmen as agents to expend from the fund? Majority vote required. This is a Special Warrant Article and its appropriation is in addition to the operating budget.

No tax impact.

Virginia noted it is a way to save for certain things, i.e. a roof for a building. Gary asked if this would eliminate the historic buildings. Virginia noted it would include them also.

Marylou asked if there was a way to include an article to close out the library building fund. She will contact the library to see if they could include one.

The Committee took a break.

Water District

Gary noted they eliminated the “Pipe Cleaning Fund”.

He noted the only article to be voted on by the Committee is Article 8.

Marylou noted that the School Board had a meeting tonight with no changes to Articles 1 to 4. She asked if the Committee wanted them to come before the Committee on Thursday. There was a consensus to not have them come on Thursday.

Minutes of December 17, 2019

The minutes of December 17, 2019 were reviewed and amended.

Mary motioned to approve the minutes of December 17, 2019 as amended, Linda seconded the motion. The motion passed.

Further amendments were made to the minutes of December 17, 2019.

Meadow motioned to approve the amendments to the amended minutes of December 17, 2019, Joni seconded the motion. The motion passed.

Town Budget

Virginia noted the Federal Law has changed for an exempt vs. a non-exempt employee regarding overtime; our Part-Time Fire Chief. To maintain the Fire Chief as an exempt employee the salary has to be increased or pay overtime. The pay has to be increased to \$1,368 bi-weekly. This would be an increase of \$5,325.00 to the salary with an additional \$330.17 for FICA and \$77.17 for MEDI. If there is a default budget for 2020 this money cannot be included in the budget. Linda discussed it is a Board of Selectmen decision to increase his salary and reduce the overall cost impact without the change.

It was discussed that he was previously given an increase in his salary to cover his health insurance costs that he pays for personally. Gary asked how this would affect the health insurance. Virginia noted it would not change.

Gary clarified that the part-time Fire Chief can work as many hours as necessary with this increase. Joyce asked the amount of the increase for a year, \$5,325.00.

Tony motioned to increase the salary for the Fire Chief by \$5,325.00, Linda seconded the motion. The motion passed.

Linda asked if there could be a note added to the minutes regarding the Committee's concerns about the BCEP. Virginia noted that all the Selectmen were at the BCEP budget hearing. Virginia noted that the Legislature is having a workshop regarding the issues of Landfills.

Marylou noted that Thursday the Committee would be given the revenues. Tony asked if the information could be distributed before the meeting. Marylou discussed the issues with doing this.

Len asked about the warrant article for the Library roof; Virginia noted it was \$35,000.00.

Len noted that he was not comfortable with the Library budget. He asked how much more money should be put into the building. He is questioning if it was built correctly due to the repairs that have had to be completed in the last few years. Virginia noted it was one of the most heavily used buildings in town. He noted that we are asking everyone to cut their budget. He noted the items the Library discussed. Virginia noted if Len wanted to make a cut to its budget he could do so. Tony did not agree with Len. Tony thought the Library is needed. Tony noted the increase was less than 10% and they are doing a good job.

Nancy confirmed the money for the Library roof is coming from the Undesignated Fund and Article 4 will be updated.

Marylou asked if anyone had motions regarding the budget.

Len motioned to have each department reduce its budget by 1.25%, Tony seconded the motion.

Joni noted most departments came in with decreases already. She noted the Library payroll increased by \$15,000.00, which is more than one pay period.

Tony noted that it did not make sense to make this cut. Linda noted that it is \$45,000.00. Joni reiterated that some departments have already made cuts.

The motion failed.

Joni asked if the Selectmen have made a decision regarding the salary for the Town Clerk/Tax Collector.

Virginia noted they voted to have a lower salary than the current person is making, but not an amount. Virginia noted that they voted on a range, but not an amount. It was noted the Selectmen discussed a range of \$18.00 to \$22.00 an hour.

Joni noted that would be a reduction out of two departments.

Tony asked if they had hired someone, Virginia noted it was Laura Scarbo.

Joni noted that the number would be calculated for Thursday.

Joni asked if the Selectmen had discussed a range for the person who will be replacing the Finance Officer. Virginia noted it will be based on the person's qualifications. Virginia noted at this time she could not make a recommendation for a reduction in that line.

Joni asked if they knew what the new person for the Town Clerk/Tax Collector position had determined what they are taking for insurance. Nancy will review the line again as she was not sure.

Tony asked where the positions were advertised. The sites they were advertised were reviewed.

Joni asked if all the Office Supplies costs for the Fire Department have been paid, Nancy noted yes except for a few adjustments.

Len stated we asked the departments to cut their budgets by an amount. He felt they spent too much time reviewing each line and would not get the \$40,000.00 decrease. Tony agreed but he felt he did not get enough information from the department heads. He felt he did get a great deal from the school.

Joni noted that the only department that did not make cuts was the Fire Department. It was discussed that the school budget was not cut.

Len noted he would like to cut full day kindergarten.

Len motioned to reduce the school budget by \$108,000.00; Meadow seconded the motion.

As no one had the amount for the full day kindergarten, Gary suggested voting to remove the costs for the full day kindergarten. Joni read information from a text from Mr. Connors regarding the School Board vote for full day kindergarten. Joni noted during the 2019/2020 school year there were 2 additional students in kindergarten since Halloween.

Mary read information from the Full-Day Kindergarten Committee.

Len asked if the school budget was default last year. Marylou noted the school has had a default budget the last 4 or 5 years.

Joni noted there are over 90 staff members at the school. Both Marylou and Joni noted the school students require different things than they did previously. The class sizes were discussed. Penny asked if the school would be returning on Thursday.

Len rescinded his motion; Meadow rescinded her second.

Len motioned to remove the \$108,000.00 for a full-time teacher, support staff and other supplies for the kindergarten program from the school budget, Joni seconded the motion. The motion passes with a vote of 6 yes, 4 no and one abstention.

Penny confirmed the school would be returning on Thursday.

Nancy noted a quick calculation for the Town Clerk/Tax Collector salary reduction is \$11,400.00. Marylou noted it would be voted on Thursday.

Meadow motioned to decrease the Fire Department Office Supply Line (01-4220.1-620) by \$1,000.00, Joni seconded the motion. The motion passed.

Gary questioned the Fire Department Training Pay/Forest Fires (01-4220.2-150) and Training & Conferences Lines (01-4220.1-370). Nancy noted that the Training Pay/Forest Fires Line is a separate pay for forest fires. The Training & Conferences Line is for the continual training for the Firefighters and EMTs.

Len motioned to reduce the Training Pay/Forest Fires (01-4220.2-150) to \$10.00, Gary seconded the motion. The motion passed with 9 yes and 1 no.

Marylou motioned to reduce the Library Management Services Line (01-4550.1-680) by \$3,500.00, Len seconded the motion. The motion failed.

Len motioned to reduce the Library Management Services Line (01-4550.1-680) by

\$5,000.00, Gary seconded the motion. The motion passed by a vote of 8 yes, 2 nos.

Meadow motioned to decrease the Economic Development Committee Printing and Publishing Line (01-4612.2-670) by \$200.00 to \$300.00, Joni seconded the motion. The motion passed.

Len motioned to reduce the Forest Restoration Line (01-4520.5-470) by \$1,000.00, Joni seconded the motion. The motion passed by a vote of 8 yes and 2 nos.

Gary asked what the money was for General Government Buildings Site Design - Building (01-4194.1-310) is to be spent on. It was discussed the septic system for the Meetinghouse was redesigned as the State approval had expired and it had to be moved due to the location of the water line from New Orchard Road. It was \$300.00 for the State filing fees and \$600.00 for the septic design in 2019. Len met with a former Selectman at that Selectman 's request to show where the septic system was designed to be and where the septic line was to be installed. Virginia discussed that there are no plans to do anything currently. Nancy explained what could be done using the funds from that line.

Gary motioned to reduce the Site Design – Building Line (01-4194.1-310) by \$1,000.00, Len seconded the motion. The motion passed by a vote of 7 yes, 3 nos.

Gary asked if the warrant article passed for Government Buildings Maintenance would it change the General Government Buildings Maintenance. Nancy explained the Capital Reserve Fund is for large expenditures (i.e. a roof) with the line in the budget for broken windows, light bulbs, etc.

Joni asked if there was a schedule to complete the repair work previously discussed by the Board of Selectmen at the Town Hall, Virginia noted she had spoken with the person and he indicated he would be doing it soon.

Mary motioned to adjourn; Linda seconded the motion. The motion passed. Marylou adjourned the meeting at 10:40 PM.

Respectfully submitted,

Betsy Bosiak
Recording Secretary