Town of Epping

Budget Committee

May 18, 2022

Call to Order:

The budget committee meeting was called to order at 6:00pm. Pledge of allegiance followed by a moment of silence for the troops.

Attendance:

Budget Committee members: Michael Charkowski-Chairman, Steve Ozols-Vice Chairman, Ben Leavitt-School Board Rep (zoom), Marty Dyer, Jen Chapman, Mark Vallone, Joe Twombley-Town Selectman Rep, Brian Reed. Cody Belanger, Jordenne Sargent, Sean Morrison and Cynthia Hounam were not present.

Mid-term SAU budget update:

* Michael attended the school board meeting where they discussed the sub-committee, he explained the point of the sub-committee which was not to make decision but to analyze the data. After the discussion the school board agreed but wanted to call it a workshop. It will consist of 2 members of the school board and 2 members of the budget committee.
* Steve said his problem with the school budget is to where the money is going, he said the town budget was so much easier to understand. He struggles to understand the school budget and where to make changes. He would like to see the workshop bring some visibility to all the line items and better understand where to money is going,
* Mark agrees with the workshop and hopes to get a long term view on what it takes it educate the kids and keep the taxes as low as possible.
* Brian said if they were going to talk line items we need to come up with a realistic percentage number that is worth talking about. An overall number needs to be set but it is a bottom line budget.
* Joe feels if you just give a bottom line number there was no effort put in, he said if you are giving a number to cut he would like to see some effort to demonstrate there is money to be cut and where it should come from.
* Michael said the town budget is more transparent as to where to the cuts will effect where as the school you don’t know what is affected.
* Joe suggests going to the town and school board meetings when they are coming up with their budgets because a lot of the questions that are asked in September have already been answered. Ben added to go the meeting and ask questions, if they are not answered that night they will get the information.
* Michael asked for 2 volunteers for the workshop, Brian suggested Steve as he has been on the budget committee the longest. Mike said if no one else volunteers he can commit some time.
* Mark motion for the budget committee members submit their questions to the workshop over the next 2 weeks, seconded by Steve. All in favor 8-0.
* Ben said there may be an updated CIP after tomorrow nights meeting, if it is approved he will send it the committee.

Michael did roll call: Steve Ozols, Mark Vallone, Joe Trombley. Ben Leavitt, Michael Charkowski, Jen Chapman, Marty Dyer. Cody Belanger, Jordenne Sargent and Sean Morrison were all absent.

Michael asked Joe if there was any updated on the towns master plan, Joe said not at all.

Target setting for the town and school:

* Joe does not think the MCI is a good source. He looked into categorizing the town budget and apply those numbers. He was able to figure out how much makes up construction and how much makes up labor.
* Mark thinks the producer index does not apply, we should lean more toward the CPI.
* Michael said we don’t want to over complicate things, appreciates the work Joe has done and labor is going to be the biggest part of the town and school budget.
* Michael asked if they already picked the COLA and CPI from last year numbers. Joe said this year was very difficult and you will find there were a lot of pay increases given which will get put into the salary line in addition to the 4% COLA for the next budget year.
* Joe picked the categories because they were easy to extract. He did an example of a breakdown:

Table

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* Joe said if you take the old budget and the new budget it is a 6.2% increase. Joe said if this concept is acceptable he will go to the Board of Selectman and see what their thought are. If they agree the next step would be to have Lisa go through it and categorize with the actual numbers.
* Michael said he would like feedback for Lisa and the highway department. Would like to know how Dave is with the second half of the year with inflation. Joe said for example if the asphalt it too high they will not pave the roads. He said there is still a lot of flexibility in the budget but he does not have a definitive answer.
* Mark said with the inflation a 6% increase is going to be bad, he would also like to see what the revenues are going to be.
* Joe feels these categories are transferable to the school budget.
* Ben said he is working with Christine to make the budget simpler but some of the issues are the special ed where we are legally required by the state to provide. The labor and COLA that was projected in the contracts are flat, he does not think the CPI will be higher than the inflation rate.
* Brian asked why the towns labor is higher than the school. Joe said that police and fire are the biggest drivers of the labor. You cannot compare a teachers salary to a policeman salary.
* Joe said they want to make big cuts to do it on a year where inflation is low, when inflation is high we need to make sure we have the ability to keep up certain levels of services.
* Joe is looking for the boards input on what is a target increase that is palpable to present to the public, right now just flat straight inflation numbers are trending toward 6% increase.
* Brian asked to address the zoning boards request to move the budget committee meetings to the 2nd Wednesday of the month and the zoning board on the 3rd Wednesday.
  + Michael motioned to move the Budget Committee meetings to the 2nd Wednesday of each month unless changed, seconded by Jen. All in favor 8-0.
* The times will stay at 6:00 for now, when the falls comes we will revisit.
* Michael said the two options right now for the budget are the weighted CPI and the unweighted CPI, if anyone has something else to put up next month that is fine.
* Joe said the COLA increase is the CPI plus .5% just for labor, we are above average for NH.
* Michael asked for one last thing for the town to consider and that there is a significant chance for help from the state for revenue, the bill is for the state to pick up 7.5% of the retirement benefit system if that goes through. He thinks it should be taken out of the budget and we should not look at it as extra income.
* Jen said that the town should bring to different budget forward, one without the warrant articles and one with because the town voted on the articles and we cannot change them.
* Michael thinks that labor is the biggest issue for the school budget. Steve said it will be tricky this year because of the teachers contract, what is going to go in the budget this coming year is going to be flat.
* Ben said in the budget this year is whatever is contracted for the paraprofessionals and the teachers it will be flat with no increases.
* Brian asked if there were any positions that are not being filled next year, Ben does not think there is at this time.
* Steve said another piece of the school budget is that last year they gave back $1.2 million and on the track this year to give back another substantial amount, somehow that has to come into play.
* Michael said according to Christine’s update they are going to ask for $300,000 and return back, based on current number, somewhere south of $700,000.
* Brian said that the school has to project 18 months in advance so they are going to over budget for the worse case scenario so typically you are going to see a return.
* Michael said next meeting we are going to have to makes some motions and set some targets.

Michal asked for any other questions for new business.

* Steve said that tomorrow night the school is giving a presentation, Ben said that it is at 6:00 at the town hall, you will be able to see how the government side of the school funding happens.

Meeting schedule:

* June 8, 2022 at 6:00pm

Michael motioned to adjourn, seconded by Jen. Meeting adjourned at 8:07pm.

Respectfully submitted by:

Cynthia Hounam