Town of Epping

Budget Committee

June 29, 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 Trombley-Town Selectman Rep, Brian Reed, Jordenne Sargent, Sean Morrison, Greg Dodge and Cynthia Hounam. Cody Belanger was not present.

Town Budget Update:

* Michael asked Joe if there is any town budget update current or future. Joe not at this time, they just got the draft on Monday.
* Joe said there has been a lot of labor adjustments and addition to that we have had two additional resignations, one being the town planner, so right now they don’t know where that is going to go. Labor isn’t just what we talked about for COLA moving into next year.
* Michael asked if there was anything quarterly, revenue or anything else to report. Joe said no he was waiting for input from the board

School Budget Update:

* Michael asked Ben if there was any update on the school budget, Ben said it was looking pretty good, after setting money aside for the trust funds and everything they were looking to give back about $660,000 to the town.

Update on Mid-Term SAU Budget Workshop:

* Michael said there has been no update on the workshop.
* Ben mentioned to the school board that Michael and Steve were selected for the workshop, they are looking forward to the list of concerns.
* Sean asked if there is a time frame for the school board to submit their budget, Mike yes it was on the calendar he sent out but they typically see the budget around October. Steve said they get the school budget done around Thanksgiving.
* Sean asked when we vote on them, Steve said at the public hearing in January. Joe said they submit the town budget the first week in November.

Town Master Plan:

* Michael thinks that the town has bigger plans for the master plan and does not think it is going to happen soon. Joe said they have a master plan that is public information but separately they are talking about doing a conditions assessment/decision on what we need to prioritize or invest. They are just at the talking stage, no action has been and it will not be for this budget cycle.
* Michael asked if it was different that the capital improvement plan, Joe said it is the CIP which includes all municipal infrastructure.
* Sean asked if the CIP includes infrastructure of long term maintenance. Joe said yes, the aqua funds are being used for specific projects but we need to decide which projects will be first.
* Joe asked the water/sewer commission for a joint meeting for and update of what projects they see in the future what they would need for aqua funds from the town. The water/sewer received aqua funds as well.
* Sean asked if the CIP covers the water/sewer, Joe said it does for certain issues. They are they own enterprise and operate on their own budget but reflects itself on the town budget. Their budget is based off of rate payers.
* Joe does not think it would be a bad idea to have a water/sewer rep on the budget committee if that could be done.
* Michael asked if we have a workshop for the school should be do the same for the town, he thinks this year would be challenging. Steve does not think we need it this year.

Target setting:

* Michael said last meeting we discussed two options (1) taking the straight CPI from previous year and using that number or (2) the categorized weighted CPI that Joe broke out last time.

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* Sean asked if these were increases for one year as we are heading toward a recession. Michael said this is what we are asking the school and town to target for their budget this year.
* Sean asked about 10% for state, Joe said they have budget for the worse case scenario until the state tells us what the rate will be.
* Michael thinks that a 10 year average this year will be unrealistic, at the last meeting most think that we should take inflation into account or the straight CPI approach.
* Sean asked if everything increases how do those percentages not turn into a tax increase on the rate payers. Joe it will impact the taxes, increases percentage based off cost going up with respective current conditions.
* Michael said that if you are coming back in November with an increase to be ready to explain why whether it be due to inflation. Joe said this year is trending short in certain areas dues the 7% inflation.
* Michael stated a request from Mark Vallone who is absent which is to do the category approach with any contract no included, Joe said that they can’t.
* Sean asked if they are over budget does it come back to the town, Joe said it goes into the general fund and can be used to buy down the tax rate.
* Michael said that the school budget is different they are limited to what can be carried over. Ben thinks they can keep up to 2.5% as a roll over, if it is something that has not be allocated it goes back to the town, last year $2 million was give back to the town.
* Joe said when the get money back from the school and it is enough to keep that tax rate down that is what we use, when the town has extra money they roll it back into the fund.
* Ben said that Christine has not finished the weighted approach spreadsheet yet. Michael said that he did some research based of the categories that were listed in the tri-fold last year and it was around 6.23%
* Ben said that there is a 6 month offset for the town and school for the fiscal year
* Ben does not think that 6.2% is unreasonable. Joe does not agree with using the CPI only, he wants to make sure that the numbers are realistic.
* Joe said to use the data from January-December 2021 for the town and July 2020-June 2021 for the school for the target direction.
* Steve agrees with Joe and the categories for the town but no sure if we can use that for the school just yet.
* Steve asked Ben when they start the negotiations for their budget, Ben said August-September then the department heads meet in September-October. Steve asked if it was too late for a target in September, Ben said the sooner the better.
* Steve said we should have to separate motions for the school and town.
* Michael asked if we should take out the grey items, Steve said no we just need to do the bottom line budget number.
* Steve would like the school and town budget to look similar, the school budget is so time consuming to go through. Ben thinks that having the workshop would be a perfect opportunity to come into the first meeting questions and get clarification on where the lines items go.

Joe makes a motion to proceed with bottom line 6.2% based on the categories that were created on the town budget for fiscal year 2020-2021, seconded by Steve. All in favor, motion carries 7-0-0

Jen makes a motion to proceed with bottom line on the school budget based on the same metric and categories that were created by the town budget for fiscal year July 2021-June 2022, but their number is not fully decided because June numbers are not out yet. seconded by Jordenne. All in favor, motion carries 6-1-0.

Schedule:

Wednesday, September 14, 2022 – 6:00pm

Michael motions to adjourn, seconded by Jen. Meeting adjourned 8:30.

Respectfully submitted:

Cynthia Hounam