Town of Epping

Budget Committee

November 16, 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., Marty Dyer, Mark Vallone, Joe Trombley-Town Selectman Rep., Jordenne Sargent, Jen Chapman, Greg Dodge and Cynthia Hounam. Sean Morrison, Cody Belanger and Brian Reed were not present.

School Board/School Members: Heather Clark, Christine Vayda, Bill Furbush, Jen Jacoby, Julie Knight, Robin O’Day-was not present, Mandy Murphy, Jill Lizier, Ben Borugain, Moss Crutchfield, Chris Mazzone and Thomas Rup

Opening Comments:

Mike wanted to thank the school board and the SAU board.

Mike asked Joe for a status update the town budget

* They went over the revenue and the default on Monday
* Two biggest things pending:
	+ Conversation on the fire department budget, new rate. They will be going over that this coming Monday.
	+ Water/Sewer should be presenting their budget at the end of November, they have not received anything from the yet.

Roll Call: Missing Brian Reed who is at a ZBA Meeting, Cody Belanger and Sean Morrison. Everyone else is present.

School Board Review:

Bill wanted to thank the team members, administration, Christine Vayda and the board.

* 2.7% over budget increase in 2021, 2.56% increase in 2022, both years are below the inflationary rates for those times.
* 4.46% budget tonight. We are at a 40 year high inflation rates, the biggest contributors are gas, electricity and special ed.

Christine asked if there were any questions overall before she starts the review.

* Athletics: Decrease of $689.00
* Benefits: Increase of $194,934.00: This increases as the salaries increase
* Buildings and Grounds: Increase of $57,318.00:
	+ In the CIP to have the cafeteria floors done
	+ There was a whole building audit done and the boilers in the elementary school are going to need replacing down the road
	+ Purchasing a de-thatcher to promote grass growth
	+ Some salary increase voted on last year
* Communication Services: Decrease of $3054.00, internet and phone prices went down
* Contract Services: Decrease of $10,402.00
	+ Most special ed out of district services
	+ Trying to get more internal staff for ESOL
* Curriculum: Increase of $99,833.00: Salaries and training
* Debt Services: Decrease of $9508.00: This is for a bond
* ESOL: Increase of $51,032.00: Hiring internal staff members
* Extra-Curricular: Increase of $11,480.00.
	+ After school tutoring and summer school
	+ Last year the ESER funds covered the cost but won’t have them next year
* Guidance: Increase of $620.00 for supplies
* Health: Decrease of $3402.00. Moved the software into the technology department
* Media: Decrease of $40,255.00. Moved the software into the technology department
* Regular Programs: Decrease of $63,010.00. This includes teachers’ salaries, aides, supplies and books
* School Administrative Unit: Increase of $6475.00. Includes salaries, supplies. Some lines were increase and some were decreased.
* School Board: Increase of $1726.00. Auditors for services, legal fees
* School Building Administration: Increase of $13,380.00. This includes principals, school building administrators, supplies and books
* Site & Land Improvement: Place holder
* Special Education: Increase of $300,548.00. Includes additional preschool teacher and classrooms, RVT , specialized paraeducator and out of district needs
* Special Transportation: Decrease of $2955.00. No longer needed
* Speech: Decrease of $16,254.00. Based on student need and is not needed
* Technology: Increase of $91,148.00. This was not an increase the numbers were moved around
* Transfer to food service fund: This is for student accounts that are in the negative, we need to fund
* Transportation: Increase of $13,254.00. This the last year for the contract, bus contract has gone out to bid
* Utilities: Increase of $231,920.00. Electric, oil and propane rate increase
	+ LED project is being done this year, will be getting rebates from Eversource
* Vocational Services: Increase of $3000.00. 2% increase of SST
* Overall budget: $927,499.00, 4.46% increase, $16.47 current tax rate, $16.90 tax rate with the proposed budget
	+ Salaries are 42% of the overall budget
	+ Benefits are 24.95% of the overall budget

Mike asked what the revenue side looks like. Christine said they are still waiting for a few things, with the adequacy grant the numbers will change:

* State Education grant is coming down
* School budgeting aid is decreasing every year
* Cat aide is always changing, it is based on the state
* Tax impact number is based off these numbers however they may get additional state ed grant money to offset tax
* NH retirement: One and only purpose is to help offset this current year’s revenue only. State is giving back 7.1% of teachers only to the school district, they cannot spend it as it goes into a pool to give back at the end of the year. This year is estimated at $142,000. Rates went from $21.01 to $19.64
* Food Service Budget:
	+ Offset from revenues received from the feds and state
	+ Salary increases
	+ Combine all benefits to show in health line (2900’s)
	+ 8% food to district increase due to inflation
	+ Food and catering increase, more catering is being done in house
	+ New software: allows the program to operate better for state recording
	+ Replace equipment: Consolidated
	+ Professional: $500 shoe allotment
	+ $436,596 budget offset by federal and state sources

Steve asked how much ESAR funds where left. Christine said $230,000 and they have uses for it.

* September 1 the final plan had to be in
* Putting a lot into tutoring services. Started a homework fund where they pay teachers $35/hr to help with homework. Did a 6 week trial.
* Steve asked if it needs to be spent by a certain time, Bill said 2 years.

Mike concern is that we are using them for things we may get used to and have to pay for in the future.

* Bill said that is why they used them to offset the air handlers and air quality and not fund positions for 2 years.
* Heather said the reason for this last batch was to focus on the kids challenges and what the need to address that, this will help them raise that deficit.

Steve asked about getting some money for safety infrastructure

* Christine put in for the allotted $100,000. She has not heard if they were selected yet.
	+ SAU school to make it more secure, the camera system needs to be updated
	+ Looking to put a window between the doorways before letting anyone in the second door at the elementary and middle school

Mark asked for a grid of student population, Christine said the last 3 years are on the back of the tri fold but they will go back further. She said there is a website called iplatform through the state that has all that information.

Mark asked for a total number of teachers, Bill said they will get that information

Mark asked about the oil and propane:

* Christine locked in a rate of $1.39 gallon on propane until June 2023 with Palmer Gas. The oil rate is also locked in at $3.95 with Palmer Gas until 2023.
* Mark asked how she budgeted for the oil/propane, she said she budgeted high and hopefully come in low

Mark asked if she looked into solar, Christine has not but she will if the board requests it. She said there is a grant out there for solar.

Mark asked who their insurance vendors are:

* Healthtrust: Dental, Health and Life
* PrimeEx: Unemployment, workers comp and building property liability

Christine said they are getting good rates and they have a guaranteed max 9% increase

Mike asked if the proposed budget has an estimate of what the CBA expected, Christine said no that will come on a separate warrant article.

* Mike asked where the salary line comes from, Christine said the existing teachers, paras are still in agreement so that increase is already in there.

Steve suggested for next year to have titles rather than fund numbers so on each spreadsheet it will show the fund name for the number (1100, 2100, etc)

Mike asked about the huge decrease in Pre-k and the large increase in kindergarten, Christine will look into that and come back with the breakdown.

Steve asked how many students require ESOL, Bill said it fluctuates.

* Last year they moved 80% down to 30% because there were only 3-5 students, this year there is 11-13 so we have to move the teacher back up to full time.
* Steve asked how long they need the services for, Bill said it depends on the students’ needs.
* Steve asked if it made sense to contract it out, Bill said no. He said if there is enough need it is cheaper to do it inhouse

Steve asked what the positive action kits were in guidance.

* They are for social and emotion learning that were purchased with ESER funds, a small portion are consumables and have to be replenished and that is what that number is.

Mike asked what was not in the budget that you cut out.

* Facilities: They are working hard to get the facilities up to where they should be.
* Will probably go to the board this summer to do the elementary school boilers
* Other things may be done on finance or bonds.
* May see a warrant article to increase the contribution for the facilities fund from $200,000 to $300,000

Mike asked what the cost of the turn over rate is if the CBA does not pass or teachers are hired.

* Bills said the monetary impact is hard to say but the need for constantly training, advertising, hiring and evaluating is where the strain in.
* Chris Mazzone said that the cost with turn over is high, but it isn’t quantifiable. When a long term employee leaves 40% of the knowledge goes with them so now we have to play catch up on the institutional knowledge. The cost are astronomical, about 1100 hours based on staff now is what it would take them to do the bare minimum to get up to par.
* Jen Jacoby said that it is not only financial but it is a misappropriation of funds, last year while teachers were interviewing at other schools principals were substituting classes.

Joe asked if they were paying for the elementary school boilers out of this current budget, Bill said no it is coming out of the facilities fund.

* 4 boilers: one is new, 1 is not working and 2 or older. The newer one can be converted to propane.
* Steve asked what the balance was in the Capital Reserve Fund
	+ Capital Reserve Fund: $363,121.75
	+ Special Education Fund: $253,717.49

Joe asked if it goes to default is the special ed in there, Heather said no. Christine said some is contracted so it has to go in there. Ben stressed why they are trying to build up that fund.

Steve asked if the SST was funded adequately, Bill said yes. There are 58 students, and it is one of the strongest contributors to the school.

Mike asked if we still have special ed pre-k, head start and peer models

* Bill said it is a special ed service and we have to provide it for them when they turn 3
* The has been a huge influx with 7 students with autism and that is why they had to add to that program
* Heather said you are limited to class size in the preschool, 12 is the state requirement
* Jill said when they turn 3 if they need the services, we have the 3rd classroom at the pre-school.
* Jill said they are still accepting peer models but even if they weren’t they still need the 3 classrooms.

Marty asked if they have estimated the savings cost for the LED lighting project, Christine said she will get that information

Steve asked if the increase to curriculum was due to the curriculum coordinator, Bill said it was not a new hire it was just a movement of that role.

Heather asked if there was any direction for change, how are you with the budget. Do you have a straw poll.

* Mark thinks we are in a better position than last year
* Mike said they did a great job getting it early but he did not have a change to review. He thinks they all need to time to review it.

Meeting Schedule:

November 30, 2022: Town

December 7, 2022: School

Mike asked for any old or new business

Mike motioned to adjourn, seconded by Jen. Meeting adjourned 9:00

Respectfully submitted

Cynthia Hounam