Town of Epping

Budget Committee

December 14, 2022

Call to Order:

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

Attendance:

Budget Committee members: Michael Charkowski-Chairman, Steve Ozols-Vice Chairman, Jen Chapman, Ben Leavitt-School Board Rep, Marty Dyer, Mark Vallone, Joe Trombley-Town Selectman Rep, Brian Reed, Jordenne Sargent-zoom, Sean Morrison-zoom, Cody Belanger, Greg Dodge and Cynthia Hounam.

Selectmen: Tom Gauthier, John Cody

Open Comments: Tonight will be a discussion on warrant articles and the school budget. Water/Sewer will be postponed as Tom Dwyer is sick.

Town Warrant Articles:

Article : 2023 Operating Budget: Will wait to discuss until they have the water/were budget

Article : Accrued Benefits Expendable Trust Fund: Read by Steve (attached)

* Balance: $24,273.81
* Tom said they know of one retirement this year
* Steve asked if $50,000 was enough, should you ask for less so it does not get voted down. Steve is afraid people don’t understand what this article is.
	+ John said they made up a detail to explain what it is, will also explain at deliberative
* Mike suggested changed the name so people understand what it is, John said you would have to do other warrant article to change it
* Mark asked if it does not pass where does the money come from, Tom said out of the budget.

Article : Highway Equipment Capital Reserve Fund: Read by Steve (attached)

* Balance: $42,465.35
* John said the cost of vehicles have sky rocketed
* Mike asked if this was strictly for repair or purchasing, Tom said purchasing
* Mike asked if they had a schedule, Tom said $120,000 for a new loader

Article : Watson Academy Repairs Expendable Trust Fund: Read by Steve (attached)

* Balance: $42,345.78
* 90% is going to replace the boilers
* Brian asked why this is a warrant article and not in the budget, Tom said they were trying to keep the costs down
* Sean thought they were doing a full renovation of Watson, Tom said he heard nothing about that

Article : Recreation Facilities Expendable Trust Fund: Read by Steve (attached)

* Balance: $56,255.73
* This is for the playground equipment
* Brian asked if this article passes will it be built, Tom said yes
* Mike asked if the $500o is needed to be built, Tom said maybe
* Sean asked if the Epping/Newmarket boosters raise any money for recreation, Ben said he will have to go and look but he thinks it is just for football which offsets the cost of jerseys, etc.
* Mike said the playground will be in back of the SAU to use during the day not at the school which cannot be used during the day.
* Tom said EYA is the only youth group the town deals with

Article : Landfill Closure Capital Reserve Fund: Read by Steve (attached)

* Balance: $323,439.15
* Fund being built up for when it does need to be closed
* Brian asked what if it closes before, Tom said this is money for engineering and we would have to find the money elsewhere
* Mike asked if they are close to the engineering costs, Tom thinks that it will be about $400,000
* Once they hit $400,000, which is 10% on engineering cost they would not contribute $100,000, they may not fund it next year if they are close
* Cody asked if this was to fund the entire project, Joe said it is just for the engineering costs
* They need to show something in the fund to apply for grants
* They will be doing another handout this year with all the information

Article : Government Buildings Expendable Trust Fund: Read by Steve (attached)

* Balance: $14,011.08
* There is no set project, they are trying the get the money back up
* Joe said they are trying to keep $50,000 in the fund as an emergency, this is an old building and can have major issues, an example was the fire escape maintenance
* They are not looking to close the town hall fund because the $21,000 would go back into the general fund, so they keep it open and will use it until it gets to a lower point to add in the general fund.

Article : Conservation Commission Expendable Trust Fund: Read by Steve (attached)

* Balance: $2000.00
* This fund is for capital projects, they expended $3000 and just want to bring it back up
* If approved Joe does not anticipate a request next year, if the balance stays at $5000 or more
* The only funds that came out of this went to the gravel lot on Jacob Wells lot
* Jen asked if the George Falls Woods signs came out of this fund, Joe said no it came out of the operating budget
* Mark asked if they could work with SELT, Joe said the advantage with working with them would be they would take on the annual tasks whereas if the town owned it they would have to rely on volunteers.

Article : Discontinue Fireworks Capital Reserve Fund: Ready by Steve (attached)

* Balance: $83.11

Article : Discontinue Property Revaluation Expendable Trust Fund: Read by Steve (attached)

* Balance: $14,993.97
* It is in the budget to do it every year, it is still done every 5 years
* Joe said they have not contributed to this fund since 2014

Article : Epping Youth Athletic Association: Read by Steve (attached)

Article : Optional Veteran’s Tax Credit: Not reviewed as it is not budget related

Article : All Veteran’s Tax Credit: Not reviewed as it is not budget related

Article : Trash Station Compactor: Read by Steve (attached)

* As of January 1st the dump stickers are increasing to $20.00
	+ The idea is to purchase the compactor out of the budget along with the revenues from the dump stickers
* This article is out of the unassigned fund balance with the hopes that it passes this year, last year there was negative push back and did not get a good recommendation from the committee
* Steve asked if all the warrant articles come from the unassigned fund, what happens if there is not enough in the fund for all the articles if they pass
	+ There is because they already know the balance, the state tells them the rate is 4%-17% of the budget, so there is enough in the fund for all the warrant articles should they pass
* Mark said there is no impact on taxation but there are in the fees, Joe said the revenues go directly to the general fund and is basically the unassigned fund.
* They also apply anything from the funds the school returns to the general fund, last year they bought down everything from warrant articles with taxation

Article : Sidewalk Plow/Snow Blower Lease: Read by Steve (attached)

* The $171,600 is the cost to purchase, $28,650 is the amount for a 7-year lease agreement, Lisa will double check that number
* Brian asked what they are doing right now, Joe said they approved the rental agreement for 5-1/2 months which is $29,200
* If they did a rental every year rather than a lease it would cost an average of $10,000 more
* It is $195,000 brand new, they get 80% of the rental this year toward the purchase which is the $171,600. 10-year life expectancy.
* Sean asked if you have an ordinance to get 3 bids, Joe said they have 3 different quotes for 3 different pieces of equipment for this job, it a general adopted policy.
* Mark asked if the $29,200 for the rental was in the budget, Joe said it is not in the budget it is set up as a 5-1/2 month rental.

Article : Transfer Station Trust Fund: Read by Steve (attached)

* This article is to start a fund for capital projects, Joe would like to change the language from buying equipment to capital improvement projects
* They just want to establish the fund, they would probably not spend anything. They want to figure out what projects need to be done and maybe do anything warrant article next year for the project
* Mike has two concerns:
	+ Voters will see two articles for the transfer station and vote it down
	+ If they fund it low, it will get larger and voters will see that
	+ John said that is why they have a handout explaining the article
* Sean asked if there was a line in the transfer station budget for maintenance, Joe thinks there is, but they want to establish fund and get it out of the budget
* Mike asked if this was a 7-year lease, Joe can’t speak of the lease because they do not have a lease offer with set numbers from the company, this is just to let you know their desire for a lease warrant article. Nothing on the warrant article is final.
* This is similar to the Watson fund for upcoming projects

Article : Additional Full Time Firefighter/EMT: Read by Steve (attached)

* This the cost to have one full time firefighter this year from May-December, the $119,000 is for January-December next year. They will put in for 2 next year.
* John said we have no choice but to transfer to a full time dept, the part time and permanent part timers are just not there anymore
* Put in for a grant this year but did not get it, they will try again next year
* Ben asked if they were limited the potential pool with this article for FF2, John said you have to be a Fire fighter2 in order to be a professional full time fire fighter
* Ben asked what the plan is if this does not pass, he thinks it should be in the budget. Joe if it was in the budget, it would be a 11% increase and that is without the water/sewer. We have an obligation to fund it for the town.
* They have a lack of volunteers. They worked on a new pay structure, they were $6.00 below other towns.
* Mark asked if they were salary or hourly, John said hourly
* Brian asked if they have maximum hours they can work, John said the chief keeps an eye on that.
* Sean asked if we have a EMT always available, John said yes
* Cody thinks they should add 3 full time fire fighters into the budget gradually. He also thinks they should put one in the budget and one on a warrant article, then do the same next budget
	+ If they put it in the budget, it will be an 11% increase without water/sewer.
* Mike said it is critical what is put on the info sheet they are doing, he agrees putting it on a warrant article it is more likely to pass
* Ben thinks they should be in 3 different articles, if 3 does not pass they get 2, if 2 does not pass they get 1, etc. Joe is going to go back to the selectman to see about an option like that.

Article : Reallocate the Land Use Change Tax: Read by Steve (attached)

* The conservation committee approved the language of the article but it privy to the legal review from DRA to make sure it is written correctly
* The luck funds are being used for protecting and conserving properties in the town
* When a property goes into current use you get a 70%-90% tax break, when it comes out there is a fee which, 10% goes to the luck fund with a $50,000 cap
* With this article is would be a 50/50 split between the town general fund and conservation
* Marty asked if conservation has a target that would be satisfactory to them, with no cap. Joe said there has been discussion for target
	+ Steve thinks there should be a cap
	+ Mike said it is a big jump from 10% with a cap to 50% with no cap
	+ Tom Gauthier thinks there should be a cap of 50% up to $100,000, he is not in favor with no cap
* Sean asked what the conservation would use these funds for, Joe said to protect certain properties from being developed
* Mike said the only way the town to stop building is to buy the land

Mike asked for any other questions regarding the warrant articles.

Joe said the Board of Selectman need to if there are any major changes the committee w0uld like to see, if nothing major they will not have a meeting on Monday.

Mike asked if anyone had any specific items for the town to revise

* Jen asked if the $30,000 for plowing contractors brought it up to 6.5% increase, Joe said the trash compactor was taken out. If it is a mild winter as deliberative, they will take out the plowing contractors which will bring it down to 6.1%
* Marty asked about the cola increase for the board or selectman, Tom and Joe both agree to take it out. Brian said that this is a $600 issue, but they don’t have to specify where they are taking it out because it is a bottom line budget

Jen motioned to ask the board of selectman to remove the increased elected stipends, seconded by Marty. All in favor, Mike and Jordenne nay. Motion carries 9-2

Cody motioned to recommend the board of selectman to add a full-time fire fighter in the budget and keep the warrant article, seconded by Brian. Open for discussion.

* Joe said that is an added cost of $79,500 to the budget with the start date of May 1, $119,000 would be for the 2024 budget
* Mark agrees to that as long as we keep the cap we talked about, Steve agrees
* Joe said to keep it on target they looked at what they could take out of the budget and put on a warrant article. They kept in the new rates and removed the full-time firefighter and compactor

Cody makes an amendment to the motion that the added firefighter it must come in at 6.5%, seconded by Brian.

* Joe does not think that putting the firefighter back in the budget is the best guidance since we strategically took it out at the guidance from the fire chief.
* Mike is worried about where they are going to put $80,000 out of the budget
* Steve said they are making a motion to keep the bottom-line budget the same but we can not direct them where to pull the money from

Jen motioned to move the question, seconded by Cody. Voting on moving question, all in favor. We have moved the question.

We will be voting on asking the board of selectmen to add a fire fighter to the budget but keep the bottom line at the current 6.5% increase and still keep the warrant article for the additional fire fighter. All in favor, I-Mark, Brian, Steve, Cody and Sean. Nay- Jen, Mike, Marty, Joe, Ben and Jordenne. Motion failed 5-6.

School Budget Review:

Mike asked if anyone has any questions.

* Mark asked if there was any update on the contract, Ben said they are still in negotiations.
* Steve asked if they were still in line with the number Bill said last week, Ben said yes.
* Ben asked when they start the negotiations, Ben said early September
* Mike asked if they were any challenges with the schedule or just taking time, Ben deferred not to answer. Mike was concerned because it was brought forward so late last year.
* Ben said the contract and the budget are two separate entities and should be looked at it that way.
* Mike is concerned about the middle-high school combo and the reduction of cost per pupil

Mike asked for anything specific for the school to change.

* Sean said he had a lot of questions, Ben asked if he could email them to him and Christine, but they are running out of time.

Mike asked for any questions or motions for the school, Joe said they should give Ben the guidance for any changes tonight rather than later.

* Ben said if the board thinks we are over, it would be helpful to where you think it should be. Mike said that the committee is good
* Ben said the warrant articles will be brought forward to the school at next meeting, then to the budget committee

Meeting Schedule:

* December 20, 2022: Water/Sewer, follow up on the school
* January 4, 2022: Final warrant articles
* January 11, 2022: Public hearing

Mike motioned to adjourned, seconded by Jen. Motion adjourned 10:10.

Respectfully submitted

Cynthia Hounam