

Town of Epping
Budget Committee Meeting
April 21, 2021

Call to Order:

The budget committee meeting was called to order at 7:00pm via zoom.

Attendance:

Budget Committee Members: Michael Charkowski-Chairman, Steve Ozols-Vice Chairman, Ben Leavitt-School Board Rep., Marty Dyer, Mike Lecuyer, Jen Chapman, Robert Hodgeman, Mark Vallone, Cody Belanger, John Cody-Town Selectmen Rep., Greg Dodge and Cynthia Hounam

Public: Steve Thomas

Roll call:

New Business:

The first order of business is to approve the minutes. Cody said that he made changes to the wording of one of the votes. The board did not receive the updated copy so the approval will be held off until next meeting.

There are two candidates for the open position on the board, Brian Reed and Steve Thomas. Steve is present tonight to speak and Brian submitted a letter (attached).

- Steve Thomas:
 - Compelling drive to give back to the community
 - Been in business for 45 years, 10+ years creating and managing business, analysis of batch reports
 - Would like assist where needed
 - In 2004 was elected to 4 year term to elementary school, has been on may other boards and feels he is a team player.
- Steve is open for any questions from the board.
 - Cody asked how do you think you will fit in and what are the strengths you bring more than the next person. Steve said he has a background in business, has been conscious of all the meeting, viewed all the meetings and thinks everyone is moving the right direction and would like to be part of the group.
 - Steve Ozols asked about his time commitment, right now is the slow time but we start increasing the meetings in September. Steve Thomas said that he is semi-retired and the business pretty much runs itself so he is available.
 - Mike Lecuyer recalls that Steve has been the only one at public sessions and believes that he will be available.
 - Robert said that Steve Thomas has regularly attending both the town and school meetings.

Michael asked for any other questions.

- Brian Reed: Was unable to be present but submitted a letter read my Michael (attached).

Cody motioned to vote via secret ballot, seconded by Jen. All in favor-I. Roll call: Mark-I, Mike Lecuyer-I, Cody-yea, John-yea, Steve Ozols-I, Ben-I, Marty-I, Jen-I, Robert-I, Michael-I. Motion carries. Congratulations to Steve Thomas.

Greg when the committee signs the quorum slip he will then be sworn in.

Next item is the budget updates. Michael Charkowski asked if anyone had any concerns or wants to discuss. He did not see anything with great concern.

School update: Ben Leavitt gave the following update.

- As of April 15, 2021, the revenue forecast is \$112,000. The significant reason is because we estimated the health trust at the max 7.2%, it came back at a negative 1.7% which is a savings of around \$200,000.
- \$493,000 withdrawn from capital reserve fund for the roofing project, leaving \$161,777 in the fund.
- Accepted a new allotment of \$365,937 through September 2023 for the cares grant money. Provisions to allows us to potentially use some money for the boiler cost.
- Bond application was sent to the NH Bond Bank today. If they can coordinate what they get from the cares act before signing the final copy they could potentially ask for more.
- \$60,000 loss in food service
- There is still a question mark going forward for placement of special education, the director is still working on that.
- Michael asked what made the school move forward with the roofing project. Ben said after going through the RFP, consulting firm and vetting bidding companies the vendor came in under what was in the capital reserve and with the rising costs they decided to move forward.
- Mark asked if they could lock in on the cost of materials. Ben said yes, if there is a drastic change there would be a change order and would be addresses.
- Steve Ozols asked if the Federal covid bill money (around \$180,000) came in yet. Ben said he would have to check with Bonnie. Ben said all of the first disbursement has been spent, he will check with Bonnie on the second one and have all the information for the next meeting.
- John asked if they have a tally of everything that was disbursed and what was left. Ben said he would talk to Bonnie and see if she can provide how that money was spent.

Michael asked for any other questions.

Town update: John gave the following update.

- Covid Expenses: The 75% expected to be reimbursed is being match by FEMA 25% so it will be 100% FEMA reimbursed. Total allocation for the town is \$690,000 but we are waiting to see what it can and can't be used for.
- Some interest in the fire department part and on call positions. We had one paramedic leave and were able to fill that position.
- Financially the town is look good
- Update from Greg is that we can start having meetings in person as of May 3
- Cody expected to see more money to the town for real estate tax relief, he is not sure how much yet but it will be coming. The state budget is in the first phase, it passed the house,

goes to the senate, then back to the house/senate then to the governor. He will get a better update.

Michael asked for any more questions on the town.

Michael wanted to talk about moving forward on how to set budget targets and asked if anyone has any suggestions.

- Cody would like to see the budgets come in at no more than a 3% increase, anything more he would vote against unless anything above 3% was fought for.
- John said a system of a multi-year period is worth the discussion to look at & plan on down the road
- Ben asked to make sure there is a common set of language, is it 3% over last year or is it default vs proposed. Just make sure the committee is on the same page.
- Jen would like to see the default budgets combed through to make sure they do not have anything in there that is not needed. Steve Ozols said we should make sure we do to accept the default number without at least looking into it and asking questions.
- Robert we should not assume we are going to have increase, we should be considering any budget cuts we can. He said the tax relief may help but we should not rule out any budget cuts.

Michal is going to share a presentation he made.

- Town Budgets:
 - Difficult to compare, as towns vary so greatly
 - Epping appears to have larger than average spending on public safety (police/fire)
 - Mike Lecuyer said that we need to take in consideration populations, call volume, types of calls. We can't look at some towns and compare their budgets to ours without looking at what is going in town as far as a call response.
 - John said we also have to look at income, Epping has a higher income for ambulance than some towns. the upward curves is due to fixed costs and we need to gauge police per capita vs calls per capita.
 - Epping's administration costs appear quite low – possible future challenge
 - Overall, Epping town budget does not seem excessively high compared to similar towns
- School budgets:
 - Cost per pupil is above state average (\$18,722 vs \$16,824)
 - Great disparity between schools
 - Elementary school is actually low (16,639 vs 17,188)
 - Middle (19,561 vs 15.938) and High School (16,776 vs 22.258) are quite high
 - Robert said one way to address this is to look at class sizes and see what we can do with FTE.
 - Cost per pupil is high for NH, but not for northeast, in general. The northeast has, by far the greatest education costs in the United States
 - Many changes in state funding likely over next 5 years
- Do, do we apply a "right sizing" to our budgets?
 - Raymond did this recently, cutting budgets for successive years to return them to the path they had been on (% increase previous to the last 5 years.
 - If so, how many years do we give ourselves to get to the "corrected" state

- Ben would like to see how we set an appropriate time line for all the projects we pushed down the road.
- John has seen a lot of success with an incentive program where if you come forward with a program to save “x” amount of dollars for the town we will give you “x” amount of dollars.

Michael encourages everyone to come to the next meeting to come and say what they think and we can discuss.

John said there was a manual put out last year on town management, they are \$70 each but we can see if we can download and make copies for the committee. He also suggested meeting with other budget committee in the area to compare.

- How do we deal with increase/decrease in population? Do we adjust for it?
 - Population? Households?
- How do we deal with increase/decrease in revenue?
 - Do we add/subtract a portion of the budget?
 - Or just use it to increase/decrease the tax rate?
- CPI/CCI/PPI/CMI/CI
 - CPI – Consumer Price Index: Tracks costs of consumer goods (food, housing, auto, fuel, etc)
 - CCI – Construction Cost Index: Tracks costs of construction materials (wood, steel, asphalt, etc)
 - PPI – Producer Price Index: Blended index composed of the first 3 indexes, weighted to simulate costs for municipal entities
 - ECI-G – Employment Cost Index: Generalized cost of labor for public administration workers

Michaels asked for any other questions. He said we should vote on something at the May meeting and get back to the department heads.

Motion to adjourn by Jen, seconded by Steve. Roll call: Mark-I, Mike Lecuyer-I, Cody-not present, abstain, John-I, Steve Ozols-I, Ben-I, Marty-I, Jen-I, Robert-I. Meeting adjourned at 9:18.

Respectfully submitted:

Cynthia Hounam

Brian G. Reed

59 Windbrook Drive, Epping NH 03042 | 603.793.9277 | briangreed15@gmail.com

March 21, 2021

Budget Committee, Town of Epping

157 Main Street

Epping NH 03042

Dear Budget Committee:

My name is Brian G. Reed, and I am applying for a position on the Budget Committee that has become available. As a long time resident who has served on a variety of town committee I believe I can contribute to this Committee and to the Town of Epping.

Since 2006, I have served on two different boards and one commission. I served on Recreation Commission for three years, The Planning Board for five years, and School Board for six years. I was the School Board representative on the Budget Committee and Seacoast School of technology Governors' Board. During my time on these boards, I have helped develop budgets while working alongside the Recreation Director, Town Planner, and Superintendent of Schools. Serving on those town and school committees gave me experience in projecting expenses and revenues. Serving on those committees also taught me to keep in mind the impact spending has on Epping's taxpayers.

As a school board member I also had experience with collective bargaining serving as part of the school district teams that negotiated two teacher and one paraprofessional contracts..

Thank you for considering me for this position and welcome a chance to speak to you directly about my qualifications.

Sincerely

A handwritten signature in black ink, appearing to read 'Brian Reed', written in a cursive style.

Brian G. Reed