

Town of Epping
Budget Committee Meeting
January 8, 2020

Call to Order:

The budget committee meeting was called to order at 7:00pm. Pledge of Allegiance was recited by the members followed by a moment of silence for the troops.

Attendance:

Budget Committee Members: Steve Ozols-Chairman, Rep, Heather Clark-School Board Rep., Robert Hodgman, Jen Chapman, Adam Munguai-Town Selectmen Rep., Marc Nickerson, John Cody, Mike Lecuyer, Michael Charkowski, Lisa Fogg, Greg Dodge and Cynthia Hounam. Jacklyn Ulban-Vice Chairman and Phil Dudovicz was not present.

Other Attendees: Bonnie Sandstrom, Valerie McKenny, Ben Leavitt, Deb Brooks, Tom Gauthier, Joe Trombley, Dave Mylott, Jim Pouliot

Opening Comments:

Steve said we will review the warrant articles tonight, starting with the school

New Business:

School Warrant Articles:

Article 1: Operating Budget: Read by Steve (attached). Steve asked for any questions. Heather motions to accept the operation budget as proposed, seconded by Adam. All in favor. Article passes 9-0.

Article 2: HVAC Middle/High School: Read by Steve (attached). Steve asked for any questions.

- Robert does not feel that they set a good precedence getting only bid and not the right way to go about the project.
- Steve asked if they have analysis on oil vs. propane, Deb she does not have it here but propane is 91% efficient, cleaner and not as much maintenance. Steve asked what happens if natural gas come in, Deb said EEI said it was easy to change over.
- Michael Charkowski asked if they are retrofitting the boilers, Deb said they are replacing 6 boilers and retrofitting the 2 in the elementary school. They will be also changing the light over to LED which EEI is guaranteeing for 10 years.
- Mike Lecuyer in concerned that the one performing all the work is also selling us the material, how do we know we are getting a fair deal. Deb said there has to be a point of trust and that he is telling us the truth.
- Heather said changing to LED lighting makes sense as we will see return on them, she could not get behind changing everything over to propane. RF Johnson gave us a quote of \$260,000 to replace the boilers, which make more sense to save on the tax payers'. As a board member she voted in favor but would not have otherwise.

- Michael Charkowski asked if they looked in NH Saves, which is a program that helps with retrofitting, rebates and energy savings. Dave said they have not.
- Joe Trombley is concerned about the one bid as well. He is concerned we are not taking the report and sending out to bid for other contractors pricing. Deb said that EEI will be sending out the bids to 3 companies. Joe said that the energy audit which EEI performed would be enough scope for us to send out to subcontractors, cut out the middle man and not pay unnecessary fees for a GC to oversee 1 subcontractor. Joe asked when they send it out for bids who chooses the subcontractor, Deb said EEI. Joe said so if the amounts comes in higher, we are guaranteed the price, but it comes in lower EEI is making the money, Deb said yes.
- Joe disagrees that the energy savings will be guaranteed, they can not be predicted.
- Robert mentioned there was sheet given out at the beginning of the meeting with all the money given back to the town over the past 5 years, only 1 year has been under \$260,000 and last year was \$565,033 so if the boilers go you have the funds to replace them. Dave clarified the last number 2017-2018, 2018-2019 you don't have that number as we cannot legally post it but what if you look at what we had in July we won't be giving much back and we have capital reserve funds that will not be funded, we are not on point of returning what we have in the past due the tight budget. Steve asked if we could use the Capital Buildings and Grounds Reserve fund for the boilers, Bonnie said yes but we were hoping to keep that for the roof.
- Tom Gauthier has a comment and a question. Tom said the price of oil and propane is only guaranteed for one year, it will go up and down each year. Tom questions the lease payment of \$62,787, you said no impact on the budget and it is offset by savings which does not make sense, if you don't have a line on the revenue side it is coming out of the budget. Bonnie said the lease payment was going to be paid by the savings, she was told she could put the lease payment on one line and reduce the energy line by the same amount making it a wash. Tom said that still does not make sense to him, it is still tax dollars.
- Adam said that if this article does not pass you cannot do it any way shape or form including in your budget, he would just do it in the budget.
- Robert asked given everything that you have heard tonight would you be willing to withdraw the article, Dave said it would be considered it, some good point were brought up but we have to go back to see how to solve this issue.
- Deb asked for the last day to withdrawn, Steve said next Tuesday, January 14.
- Jen asked how much was in the Building & Grounds Capital Reserve Fund, Bonnie said \$450,000.

Steve asked for any more questions.

Heather made a motion to move the question and vote on the article, seconded by Robert. Steve said this was just to move the article not to vote on it. All in favor, 9-0. Steve said now vote on the article, 2-I, 6 Nay.

- Dave asked what opportunity would we have to present another warrant article before next Tuesday, Steve said he does not know, any suggestions. Marc said we would have to hold a special meeting. Heather said it happened before to present it Wednesday at the public session. Dave said they will send everything ahead of time.

Article 3: Add to Building and Grounds Capital Reserve. Read by Steve (attached). Steve asked for any questions. Heather motions to accept the article as written, seconded by Adam. All in favor. Article passes 9-0.

Article 4: Add to Special Education Capital Reserve Fund. Read by Steve (attached). Steve asked for any questions. Heather motions to accept the article as written, seconded Robert. All in favor. Article passes 9-0.

Town Articles:

Article : New Water Treatment Plant and MTB Water Main Extension: Read by Michael (attached). Steve asked for any questions.

- Steve feels this is an absolute necessity for the town and is agreement with this article.
- Michael questioned the statement "\$5,000,000 to come from Federal and State grant funding", he said that is not a sentence, we may want to check on the wording. Tom Gauthier said the article has not gone to town council yet so the wording may change.
- Robert asked if the state does shut down the well and loose the pressure, would there be enough pressure to get water to the school. Jim said not enough capacity, he said they just did a pilot test last week by shutting down the Hoar Pond wells and they had to put the well back on every other day as the pumps at Epping Crossing would not keep up. Jim said this is the time of year for less water use, come summer the pumps will be empty in a couple days.
- Robert reiterated that if this does not go through, the school and commercial building will not have water and have their c of c revoked which will cause a legal issue.
- Steve asked if the Hoar Pond has to be shut by July 2021, Jim said we have to meet the new arsenic levels of 5 by July 2021, right now they are 8-9 arsenic level.
- Robert asked what is the rate for this loan, Jim said 1.074%
- Marc wanted to the public know that this article has been talked about considerably and not just over a 5 minute period. Jim said they will be having more information sessions for the public. Tom said they will be having a bond hearing on Monday.
- Jim said if this does not pass, we will lose all the opportunities of grant money and the interest rate.

Article : 2020 Operating Budget: Read by Michael (attached). Steve asked for any questions.

- Greg said you were sent two different warrants, one with the different default number. Marc asked what the correct number is, Lisa said \$8,968,589. Greg said the reason why the selectmen have not voted yet was because they did not get this until today, they will vote on Monday. Marc asked what the change was, Lisa said she just picked the wrong number. Greg said it was a \$38,000 change.
- Lisa asked if these were the official votes, Steve said no we will vote next week.

Adam motions to accept the article as written, seconded by Michael. All in favor. Article passes 8-1.

Article : Accrued Benefits Expandable Trust Fund: Read by Michael (attached). Steve asked for any questions. Heather motions to accept the article as written, seconded by John. All in favor. Article passes 9-0.

Article : Town Hall Improvement Expandable Trust Fund: Read by Michael (attached). Steve asked for any questions. Marc motions to accept the article as written, seconded by Jen. All in favor. Article passes 8-0.

Article : Highway Equipment Capital Reserve Fund: Read by Michael (attached). Steve asked for any questions. Marc motions to accept the article as written, seconded by Jen. All in favor. Article passes 8-0.

Article : Watson Academy Repairs Expendable Trust Fund: Read by Michael (attached). Steve asked for any questions. Marc motions to accept the article as written, seconded by Adam. All in favor. Article passes 8-0.

Article : Recreation Facilities Expendable Trust Fund: Read by Michael (attached). Steve asked for any questions. Marc motions to accept the article as written, seconded by John. All in favor. Article passes 8-0.

Article : Landfill Closure Capital Reserve Fund: Read by Michael (attached). Steve asked for any questions.

- Adam said this has been being pushed off, but they have been funding it.
- Steve asked what the balance was, Lisa said \$102,000

Marc motions to accept the article as written, seconded by Jen. All in favor. Article passes 8-0.

Article : Government Buildings Expendable Trust Fund: Read by Michael (attached). Steve asked for any questions.

- Adam said this is a new fund because of the delineation of the other funds, if we come up short for any other government building, we can take it from this fund.
- Jen asked if it will eventually become one fund, Lisa said it is easier and better to have a fund for each one,

Marc motions to accept the article as written, seconded by John. All in favor. Article passes 8-0.

Article : Epping Youth Athletic Association: Read by Michael (attached). Steve asked for any questions.

- Adam said this is a good way to support our kids

Marc motions to accept the article as written, seconded by John. All in favor. Article passes 8-0.

Article : By Petition: Highway Wheeled Excavator: Read by Michael (attached). Steve asked for any questions.

- Greg said this was initially a warrant article but was removed by the Board of Selectmen and put as a petition warrant article.

Heather motion to table the article until next week when the dept heads are here to give more information, seconded by Marc. All in favor, motion passes 9-0.

Article : By Petition: Rockingham Community Action: Read by Michael (attached). Steve asked for any questions.

- Marc said this a great organization but does not feel that the tax payers' should pay.
- Michael asked if there was a law by the state that if any resident in town needs help the town needs to pay, Adam said yes.

Heather motion to table the article until next week when the dept heads are here to give more information, seconded by Marc. All in favor, motion passes 9-0.

Article : By Petition: Lamprey Health Care Senior Transportation Program: Heather motion to table the article until next week when the dept heads are here to give more information, seconded by Marc. All in favor, motion passes 9-0.

Steve said that was it for the warrant articles, we will now approve minutes.

Steve asked for a motion accept the minutes of the December 4, 2010 meeting, motioned by Marc, seconded by Heather. All in favor, motion carries.

Steve asked the motion to accept the minutes of the December 11, 2010 meeting, motioned by Marc, seconded by Heather. All in favor, motion carries.

Marc motions to table the minutes of December 18, 2020 until next meeting, seconded by Heather. All in favor, motion carries.

Next meeting:

January 15, 2020: Start time is 6:00pm, public hearing and warrant articles.

Steve asked for any other questions. Marc motions to adjourn, seconded by Jen. Motion carries. Meeting adjourned at 9:00pm.

Respectfully submitted by:

Cynthia Hounam

2020 EPPING SCHOOL DISTRICT WARRANT

STATE OF NEW HAMPSHIRE

FIRST SESSION OF ANNUAL MEETING (DELIBERATIVE)

You are hereby notified that the first session of the annual meeting of the Epping School District, for the transaction of all business other than voting by official ballot, shall be held Thursday, February 6, 2020, at 7:00 p.m. in the Epping Town Hall. The first session shall consist of explanation, discussion, and debate of warrant articles 1-4. Warrant articles may be amended, subject to the following limitations:

- a) Warrant articles whose wording is prescribed by law shall not be amended.
- b) Warrant articles that are amended shall be placed on the official ballot for a final vote on the main motion, as amended.
- c) No warrant article shall be amended to eliminate the subject matter of the article, but an amendment to change the dollar amount of an appropriation is permitted.

SECOND SESSION OF ANNUAL MEETING (VOTING)

You are hereby notified that the second session of the annual meeting of the Epping School District shall be held at the Epping Middle School Gymnasium in said District on the tenth day of March, 2020, at eight o'clock in the morning for the choice of School District Officers elected by official ballot, to vote on questions required by law to be inserted on said official ballot, and to vote on all warrant articles from the first session on official ballot per RSA 40:13. The polls for the election of School District Officers and other action required to be inserted on said ballot will open on said date at 8:00 a.m. and will not close earlier than 7:00 p.m.

Article A: To choose the following School District officers:

Two School Board Members 3-Year Term

Article 01: Operating Budget

Shall the Epping School District raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$20,666,464? Should this article be defeated, the default budget shall be \$20,659,798, which is the same as last year, with certain adjustments required by previous action of the Epping School District or by law; or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only.

The School Board (5-0-0) and the Budget Committee (?-?-?) recommend this appropriation.

Article 02: HVAC Middle/High School

Shall the Epping School District vote to authorize the School Board to enter into a multi-year lease purchase agreement for energy saving improvements including a conversion to LP gas from oil and the replacement of the boiler system, LED lighting, insulation and other improvements at the Middle High School, with the total payment for the project to be \$996,000 with the annual lease payments of approximately \$62,787? Such sum is to be funded entirely from guaranteed annual energy savings and the resulting reduction in annual cost for energy and utility expenses in the District's operational budget? This lease agreement contains a non-appropriation clause. This warrant will have no budget impact.

The School Board (4-1-0) and the Budget Committee (?-?-?) recommend this appropriation.

Article 03: Add to Buildings and Grounds Capital Reserve

Shall the Epping School District vote to raise and appropriate up to the sum of \$200,000 to be added to the Buildings and Grounds Capital Reserve Fund previously established in 2013? This sum to come from June 30 fund balance available for transfer on July 1. No amount to be raised from additional taxation.

The School Board voted (5-0-0) and the Budget Committee (?-?-?) recommend this appropriation. (Majority vote required.)

Article 04: Add to Special Education Capital Reserve Fund

Shall the Epping School District vote to raise and appropriate up to the sum of \$50,000 to be added to the Special Education Capital Reserve Fund previously established in 2017? This sum to come from June 30 fund balance available for transfer on July 1. No amount to be raised from additional taxation.

The School Board (5-0-0) and the Budget Committee (?-?-?) recommend this appropriation. (Majority vote required.)

Article 05: To transact any other business which may legally become before this meeting.

ARTICLE : NEW WATER TREATMENT PLANT AND MTBE WATER MAIN EXTENSION

To see if the Town will vote to raise and appropriate the sum of \$8,500,000.00 (gross budget) for the purpose of design and construction of a new water treatment plant at the Epping Crossing site, and a water main extension to provide municipal water to homes with private wells contaminated with MtBE, that will qualify the Town for federal and state funds, and to authorize the issuance of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33) in the amount up to \$3,500,000.00; and further to authorize the Selectmen and the Epping Water and Sewer Commissioners as applicable, to issue, negotiate, sell and deliver such bonds or notes, and to determine the interest rate thereon and the maturity and other terms thereof; and further to authorize the Selectmen and the Epping Water and Sewer Commissioners as applicable, to apply for, obtain and accept federal, state, or other aid, grants or other funds, if any which may be available for said project that may reduce the amount to be financed with bonds and notes, and to participate in the State Revolving Fund (SRF) RSA 486:14 established for this purpose, and to allow the Selectmen and the Epping Water and Sewer Commissioners as applicable, to expend such monies as become available; and to authorize the Selectmen and the Epping Water and Sewer Commissioners as applicable, to take any other action or to pass any other vote relative thereto. \$5,000,000.00 to come from Federal and State grant funding. It is anticipated that the Town will receive up to \$350,000.00 in principal forgiveness from the State Revolving Fund loan program. It is the intention of the Town that the bond or note repayment shall be paid for by general taxation.

[Recommended by Board of Selectmen]

[Recommended by the Municipal Budget Committee]

3/5 Ballot Vote Required

ARTICLE : 2020 OPERATING BUDGET

To see if the Town will vote to raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amount set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling Nine Million, Two Hundred Thirty Three Thousand, Three Hundred Fourteen Dollars (\$9,233,314.00). Should this article be defeated, the default budget shall be Eight Million, Nine Hundred Sixty Eight Thousand, Five Hundred Eighty Nine Dollars (\$8,968,589.00), which is the same as last year, with certain adjustments required by previous action of the town or by law; or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only.

[Recommended by the Board of Selectmen]

[Recommended by the Municipal Budget Committee]

Majority Vote Required

ARTICLE : ACCRUED BENEFITS EXPENDABLE TRUST FUND

To see if the Town of Epping will vote to raise and appropriate the sum of Fifteen Thousand Dollars (\$15,000.00) to be placed in the previously established Accrued Benefits Expendable Trust Fund. This sum to come from unassigned fund balance. No amount to be raised from taxation.

[Recommended by the Board of Selectmen 5-0]

[Recommended Municipal Budget Committee]

Majority Vote Required

ARTICLE : TOWN HALL IMPROVEMENT EXPENDABLE TRUST FUND

To see if the Town of Epping will vote to raise and appropriate the sum of Fifty Thousand Dollars (\$50,000.00) to be placed in the previously established Town Hall Improvement Expendable Trust Fund. This sum to come from unassigned fund balance. No amount to be raised from taxation.

[Recommended by the Board of Selectmen 5-0]

[Recommended by the Municipal Budget Committee]

Majority Vote Required

ARTICLE : HIGHWAY EQUIPMENT CAPITAL RESERVE FUND

To see if the Town of Epping will vote to raise and appropriate the sum of Twenty Five Thousand Dollars (\$25,000.00) to be placed in the previously established Highway Equipment Capital Reserve Fund.

[Recommended by the Board of Selectmen 5-0]

[Recommended by the Municipal Budget Committee]

Majority Vote Required

ARTICLE : WATSON ACADEMY REPAIRS EXPENDABLE TRUST FUND

To see if the Town of Epping will vote to raise and appropriate the sum of Twenty Thousand Dollars (\$20,000.00) to be placed in the previously established Watson Academy Repairs Expendable Trust Fund. This sum to come from unassigned fund balance. No amount to be raised from taxation.

[Recommended by Board of Selectmen 5-0]

[Recommended by the Municipal Budget Committee]

Majority Vote Required

ARTICLE : RECREATION FACILITIES EXPENDABLE TRUST FUND

To see if the Town of Epping will vote to raise and appropriate the sum of Five Thousand Dollars (\$5,000.00) to be placed in the previously established Recreation Facilities Expendable Trust Fund. This sum to come from unassigned fund balance. No amount to be raised from taxation.

[Recommended by the Board of Selectmen 5-0]

[Recommended by the Municipal Budget Committee]

Majority Vote Required

ARTICLE : LANDFILL CLOSURE CAPITAL RESERVE FUND

To see if the Town of Epping will vote to raise and appropriate the sum of \$20,000.00 (Twenty Thousand Dollars) to be placed in the previously established Landfill Closure Capital Reserve Fund.

[Recommended by the Board of Selectmen 5-0]

[Recommended Municipal Budget Committee]

Majority Vote Required

ARTICLE : VETERAN'S TAX CREDIT

Shall the Town of Epping modify the Veteran's Tax Credit in accordance with RSA 72:28, II from \$500.00 per year to \$750.00.

[Recommended by the Board of Selectmen 5-0]

Majority Vote Required

ARTICLE : SERVICE CONNECTED VETERAN'S DISABILITY TAX CREDIT

Shall the Town of Epping modify the Service Connected Total Disability Tax Credit in accordance with RSA 72:35 from \$2,000 to \$4,000.

[Recommended by the Board of Selectmen 5-0]

Majority Vote Required

ARTICLE : COMBAT SERVICE CREDIT

Shall the Town of Epping adopt the provisions of RSA 72:27-a, which would allow an optional Tax Credit for Combat Service of \$500.00.

[Recommended by the Board of Selectmen 5-0]

Majority Vote Required

ARTICLE : BLIND EXEMPTION

Shall the Town of Epping modify the provisions of RSA 72:37, Exemption for the Blind, to allow an inhabitant who is legally blind as determined by the blind services program, to be exempt each year on the assessed value, for property tax purposes, of his or her residential real estate from \$15,000 to \$30,000.

[Recommended by the Board of Selectmen 5-0]

Majority Vote Required

ARTICLE : GOVERNMENT BUILDINGS EXPENDABLE TRUST FUND

To see if the Town of Epping will vote to establish a Government Buildings Expendable Trust Fund per RSA 31:19-a, for the purpose of repairing and maintaining Government Buildings of the Town and to raise and appropriate Fifteen Thousand Dollars (\$15,000.00) to put in the fund. This sum to come from unassigned fund balance. No amount to be raised from taxation. And further to name the Board of Selectmen as agents to expend from said fund.

[Recommended by Board of Selectmen 5-0]

[Recommended by the Municipal Budget Committee]

Majority Vote Required

ARTICLE : EPPING YOUTH ATHLETIC ASSOCIATION

To see if the Town will vote to raise and appropriate the sum of Five Thousand Dollars (\$5,000.00) in support of the Epping Youth Athletic Association.

[Recommended by Board of Selectmen 5-0]

[Recommended by the Municipal Budget Committee]

Majority Vote Required

Article : BY PETITION: HIGHWAY WHEELED EXCAVATOR

To see if the Town will vote to raise and appropriate the sum of Two Hundred Six Thousand, Nine Hundred Dollars (\$206,900.00) to purchase a Wheeled Excavator with Ditching Bucket and Thumb. One Hundred Thousand Dollars (\$100,000.00) to come from the Highway Equipment Expendable Trust Fund and the remaining One Hundred Six Thousand, Nine Hundred Dollars (\$106,900.00) to come from taxation.

[Recommended by Board of Selectmen]

[Recommended by the Municipal Budget Committee]

Majority Vote Required

Article : BY PETITION: ROCKINGHAM COMMUNITY ACTION

To see if the Town will vote to raise and appropriate the sum of Eleven Thousand, Three Hundred Dollars (\$11,300.00) for the purpose of funding Rockingham Community Action for its work in providing fuel, utility, food, homeless and housing assistance, budgeting education and support to Epping residents in crisis to move them toward self-sufficiency.

[Recommended by Board of Selectmen]

[Recommended by the Municipal Budget Committee]

Majority Vote Required

Article : BY PETITION: LAMPREY HEALTH CARE SENIOR TRANSPORTATION PROGRAM

To see if the Town will vote to raise and appropriate the sum of Three Thousand Three Hundred Ninety Dollars (\$3,390.00) for the Lamprey Health Care Senior Transportation Program.

[Recommended by Board of Selectmen]

[Recommended by the Municipal Budget Committee]

Majority Vote Required