

TOWN OF EPSOM
BUDGET COMMITTEE
JANUARY 6, 2022

Attendees: Marylou Keane, Chairman; Joni Kitson, Vice Chairman; Gary Kitson, Water District Representative; Virginia Drew, Selectmen's Representative; Meadow Wysocki; Joy Sheehan; Mary Frambach; Joyce Heck; Len Gilman; Linda Hodgdon; Penny Graham; Michael Muise, School Board Representative

Not in Attendance:

Other Attendees: Patrick Connors; Michael Wiggett; Peter Warburton; Deb Sullivan; Cheryl Gilpatrick

Marylou opened the meeting at 7:05 PM.

School Budget

Marylou discussed that she had spoken with Amber Wheeler who could not attend tonight. She noted items that Ms. Wheeler and she discussed. Ms. Wheeler is to obtain information as to how the SAU is governed from DRA. Ms. Wheeler is to send her the information. Marylou would like to begin the meeting next Thursday at 6:30 PM to review that information.

Len questioned why DRA allows the SAU to remove money from the reserve fund after the budget is determined.

Gary noted that no changes can be made in a budget after it is voted on. Mr. Warburton discussed that if people do not work with something every day, then they do not understand it. The SAU is trying to develop something to explain its budget to the members. He discussed other ideas they have for the future to explain the SAU budget and how revisions are made.

Len asked why a budget is presented to the taxpayers and the SAU changes it after. Len thought it was not orderly.

Marylou asked if every one was happy with the school budget excluding the SAU portion.

Marylou asked if the Committee could have the School Warrant Articles before Thursday's public hearing.

The Pembroke Academy tuition figure was discussed. Mr. Connors noted the budget is at

the best estimate for the number of students to attend Pembroke Academy.

Page 12 – Linda discussed the difference between the budget and the default budget asking if in fact the increase is only \$81,000.00.

Linda noted the school budget is a 2.75% increase from last year's budget. The default budget is only a 0.67% (2/3 of 1%) increase. Virginia noted the default budget would include contractual step increases, etc.

Mr. Connors noted items that are new include the tractor, cleaning supplies and the Social Studies books for a total of approximately \$65,000.00.

Meadow asked about the elementary school bus figure. Mr. Connors noted they do not have a contract yet so could not include the final figure to use in the default budget.

Joni asked what the tractor is used for besides mowing. Mr. Connors noted the areas that the tractor is used for snow removal.

Joni asked if the 2 teachers that are retiring will be replaced; Mr. Connors noted they will be.

Marylou noted the School District Warrant Articles. The amount of Article Two will be determined on Tuesday by the School Board.

Town Budget

The Town Default Budget, Revenue Projects and Trustee of Trust Funds Reports were reviewed. Marylou noted that they will be voted on at the Public Hearing.

Marylou noted there was a report from the Conservation Commission to review with changes to be made on Tuesday if the Committee would like. Marylou noted the Trustee of Trust Funds only has one Conservation fund with the Treasurer having the other two funds.

Linda asked if they could get the purpose of the funds, Deb thought it was in the report.

Cheryl Gilpatrick discussed the funds and the Warrant Articles; when the funds were established and were funded. Cheryl noted the Commission planned to use funds to acquire the Harkness easement.

Len asked about the money from the Common Man as it effects to the water shed. Cheryl explained the funds and how the Commission might be able to obtain the funds for purchasing the Harkness easement rather than the funds going to the State.

Gary discussed that he was willing to reduce the Cemetery budget if the interest of the perpetual care funds could be used. There was a consensus this could be done.

Gary motioned to reduce Line 4195925 (Cemetery Maintenance) by 5,000.00; Meadow seconded the motion. The motion passed.

Len asked the amount remaining from the 2021 Town budget. It is \$394,569. Deb noted encumbrances are about \$100,000. They include carpeting at Fire Department, Interior painting at the Police Department, Police Department Vehicle, contractor bill for the building proposal and the Fire Department for Forestry Truck repairs. The total is approximately \$100,000.00.

Virginia noted the items in the budget that had funds remaining.

Len motioned to discuss to take \$150,000.00 that is remaining to reduce the 2022 budget. Virginia discussed that this money could not be carried over to be used for 2022 but has to go to the Unassigned Reserve Fund.

Deb commented if they would like to reduce the budget by a large amount; they should go line by line. She noted the large increases in the budget that include insurance, less staff at the Fire Department in 2021. The Highway Department did not spend \$142,000.00. Reductions were discussed. Linda discussed if a line was overspent the Selectmen could use the contingency funds.

Gary noted there is too much money in the Unassigned Reserve Fund. Virginia discussed there were items in the budget that were covered by grants, etc. so the budget funds were not used.

Deb noted that it is about \$12,800 difference in the family plan for health insurance and the plan being taken by the new Fire Department hire.

Line 4155210 – Health & Dental Insurance – Len motioned to reduce the Health & Dental Insurance line by \$8,000.00, from \$290,060 to \$282,060; Meadow seconded the motion. The motion passed by a vote of 10 yes and 1 no.

Mike asked how the funds in the Undesignated Reserve Fund are used except for Warrant Articles. Virginia discussed the Selectmen could use the funds to reduce the tax rate. The amounts used by the Selectmen to reduce the tax rates for past years include:

\$267,000.00 in 2021
\$302,000.00 in 2020
\$10,000.00 in 2019
\$250,000.00 in 2018

Deb noted that there is a page in the Town Report that lists these amounts. (Page 53).

It was discussed that the amount in the undesignated fund is 17% including assets and cash.

Library

Joni asked if they are taking \$5,000.00 from the Library Management Services Line for the purchase of books, it was increased by \$1,000.00. It was discussed that the Trustees had revised their budget after they presented to the Selectmen.

Len motioned to reduce the Library Management Services Line (4550680) by \$1,000.00 from \$91,598.00 to \$90,598.00; Meadow seconded the motioned.

Joni noted there is approximately \$17,958 in the Library budget for books and they have another \$5,000.00 from the Library Book Trust Fund.

Len questioned the expense taxpayers should pay for the library. He noted the library is a great thing and he feels they should find another way to fund it. He noted the Town needs to pay the salaries of the Town employees.

Linda noted that at some point there will not be any additional funds and she hopes people will remember this in the future. It was also discussed that people from other towns use the computers, etc. at the library. It was noted that out of town people pay for a library card.

Joy noted the figure was lowered last year, but the figure has been increased this year. Virginia noted they are doing a deep cleaning once a year now.

The motion passed with one abstention.

Linda; discussed the Legal Expense Line. She asked if the line could be reduced.

Len motioned to remove 2500.00 from the Legal Expense Line. There was no second to the motion.

Len motioned to remove \$4,000.00 from the Legal Expense Line from \$15,000.00 to \$11,000.00; Gary seconded the motion.

Mike asked the fees per hour for legal. Virginia noted that no one contacts the attorneys without Board of Selectmen approval.

Potential and current lawsuits were discussed.

The motion passed with one no.

It was noted that the budget is lower than the default budget.

Gary asked why the Police Department Secretary Wages increased by 6.2%. Deb will check the figures.

Virginia asked about doing the presentation for Article 2. It will be done January 11, 2022.

Minutes

The minutes of January 4, 2022 were reviewed and amended.

Meadow motioned to approve the minutes of January 4, 2022 as amended; Len seconded the motion. The motion passed.

Warrant Articles

The Warrant Articles were reviewed.

ARTICLE 1: Shall the Town of Epsom 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 \$3,699,853. Should this article be defeated, the default budget shall be \$3,707,073 which is the same as last year, with certain adjustments required by previous action of the Town of Epsom 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 operating budget is estimated to have a tax rate of \$3.68, which is .03 cents less than the 2021 Tax rate. The default budget is estimated to have a tax rate of \$3.69, .02 cents less than the 2021 Tax rate.

Recommended by the Selectmen 3-0 Recommended by the Budget Committee

This is the Budget Article.

ARTICLE 2: Shall the Town raise and appropriate the sum of one million two hundred thirty-seven thousand six hundred and ninety dollars (\$1,237,690) to renovate the Old Town Hall on Route 4 for use as Town Offices, including making the lower level of the adjacent Old Meetinghouse useable for records storage, Town Welfare Office, and Epsom Food Pantry. Construction will include expansion of the parking lot and a septic system to serve both buildings. This article will further authorize the Selectmen to utilize up to six hundred eighty-seven thousand six hundred and ninety dollars (\$687,690) from the Unassigned Fund Balance along with four hundred thousand dollars (\$400,000) of the American Recovery Plan Act funds, eighty-five thousand dollars (\$85,000) from the Future Town Office Capital Reserve Fund, and sixty-five thousand dollars (\$65,000) from the Historic Town-Owned Building Maintenance Expendable Trust Fund. This is a non-lapsing Warrant Article and will not lapse until the project is completed or December 31,

2027, whichever comes first. This appropriation is in addition to the operating budget.

No tax impact.
Recommended by the Selectmen 3 – 0 ***Recommended by the Budget Committee***

This Article will be discussed Tuesday.

ARTICLE 3: Shall the Town vote to establish a contingency fund for the 2022 year for unanticipated expenses that may arise and further raise and appropriate the sum of twenty thousand dollars (\$20,000) from the Unassigned Fund Balance to go into the fund? Any appropriation left in the fund at the end of the year will lapse to the general fund. Majority vote required. This Article and its appropriation are in addition to the operating budget.

No tax impact.
Recommended by the Selectmen 3 – 0 ***Recommended by the Budget Committee***

Linda asked if any of the funds were spent for 2021. Virginia noted the Selectmen voted for site design. Virginia was against the use. It was discussed that the funds should not have been used if the funds could be found in the budget. There was a request Deb contact DRA regarding the wording and the ability for the use. Virginia noted at the last meeting she asked the Selectmen to reconsider the vote on using these funds.

ARTICLE 4: Shall the Town vote to raise and appropriate the sum of forty-two hundred dollars (\$4,200) to be added to the previously established Cemetery Maintenance Expendable Trust Fund, with said funds to come from the Unassigned Fund Balance, which is equivalent to the total amount of cemetery plot sales for 2021? Majority vote required. This is a Special Warrant Article and its appropriation is in addition to the operating budget.

No tax impact.
Recommended by the Selectmen 3 – 0 ***Recommended by the Budget Committee***

There was no discussion on this Article.

ARTICLE 5: Shall the Town vote to raise and appropriate the sum of twenty thousand dollars (\$20,000) to be deposited into the Capital Reserve Fund previously established for the potential future expansion of the public water system? Majority vote required. This is a Special Warrant Article and its appropriation is in addition to the operating budget.

Estimated tax impact is \$.04 per thousand
Recommended by the Selectmen 3 – 0 ***Recommended by the Budget Committee***

Meadow noted that there were funds coming in and if more funds would be needed. Virginia explained that is more work to be completed for the future expansion.

ARTICLE 6: Shall the Town vote to raise and appropriate the sum of fifteen thousand dollars (\$15,000) to be added to the previously established Expendable Trust Fund for the Maintenance of Historic Town-Owned Buildings with said funds to come from the Unassigned Fund Balance? Majority vote required. This is a Special Warrant Article and its appropriation is in addition to the operating budget.

No tax impact

Recommended by the Selectmen 3 – 0

Recommended by the Budget Committee

Meadow noted that the funds are coming from the Unassigned Reserve Fund

ARTICLE 7: Shall the Town vote to raise and appropriate the sum of twenty thousand dollars (\$20,000) to be added to the previously established Government Buildings Maintenance Expendable Trust Fund with said funds to come from the Unassigned Fund Balance? Majority vote required. This is a Special Warrant Article and its appropriation is in addition to the operating budget.

No tax impact

Recommended by the Selectmen 3 – 0

Recommended by the Budget Committee

Virginia noted the Police Department interior will be painted.

ARTICLE 8: Shall the Town vote to raise and appropriate the sum of one hundred fifty thousand dollars (\$150,000) to be added to the Capital Reserve Fund previously established for the purpose of reconstruction and improvements to town roads? Majority vote required. This is a Special Warrant Article and its appropriation is in addition to the operating budget.

Estimated tax impact is \$.29 per thousand

Recommended by the Selectmen 3 – 0

Recommended by the Budget Committee

Joni noted the Road Agent had plans to use the funds. Currently there is \$582,000.00 in the fund.

ARTICLE 9: Shall the Town vote to raise and appropriate the sum of ten thousand dollars (\$10,000) to be added to the Capital Reserve Fund previously established for the purpose of purchasing motorized vehicles and equipment for the Highway Department? Majority vote required. This is a Special Warrant Article and its appropriation is in addition to the operating budget.

Estimated tax impact is \$.02 per thousand

Recommended by the Selectmen 3 – 0

Recommended by the Budget Committee

There was no discussion on this Article.

ARTICLE 10: Shall the Town vote to raise and appropriate the sum of twenty-five thousand dollars (\$25,000) to be added to the Capital Reserve Fund previously established for the purpose of bridge replacement and repair? Majority vote required. This is a Special Warrant Article and its appropriation is in addition to the operating budget.

Recommended by the Selectmen 3 – 0 *Estimated tax impact is \$.05 per thousand*
Recommended by the Budget Committee

Joni noted that the amount to be added was increased as funds had been used for the Center Hill Road Bridge in 2020.

ARTICLE 11: Shall the Town vote to raise and appropriate the sum of sixty-six thousand dollars (\$66,000) for the purpose of purchasing a command vehicle for the Fire Department, and further authorize the withdrawal of the same amount of sixty-six thousand (\$66,000) from the Fire and Rescue Apparatus Fund for that purpose? Majority vote required. This is a Special Warrant Article and is in addition to the operating budget.

Recommended by the Selectmen 3 – 0 *No tax impact*
Recommended by the Budget Committee

There was no discussion on this Article.

ARTICLE 12: Shall the Town vote to raise and appropriate the sum of thirty thousand dollars (\$30,000) for the purpose of purchasing overhead doors for the Fire Department, and further authorize the withdrawal of fifteen thousand (\$15,000) from the Lillian Morrison Fire Fund with the balance of fifteen thousand (\$15,000) to be raised by taxes? Majority vote required. This is a Special Warrant Article and is in addition to the operating budget.

Recommended by the Selectmen 3 – 0 *Estimated tax impact is \$.03 per thousand*
Recommended by the Budget Committee

Gary asked if it was for all the doors – Linda thought it would be \$37,000.00 for all the doors. It was discussed the Fire Chief was to take some of the funds from the Lillian Morrison Fund. It was discussed all the doors will be replaced. If the article should be reworded so some of the funds could come from the Lillian Morrison Fund was discussed.

ARTICLE 13: Shall the Town vote to raise and appropriate the sum of thirty-seven thousand dollars (\$37,000) to pay for seven (7) months' salary, benefits and equipment for one (1) additional full-time police officer? Majority vote required. This is a Special Warrant Article and is in addition to the operating budget.

Estimated tax impact is \$.07 per thousand

Not recommended by the Selectmen 2 – 1 Recommended by the Budget Committee

It was discussed that the Selectmen did not recommend the additional officer. It was noted that the Chief was using the position as a School Resource Officer and other things.

ARTICLE 14: Shall the Town vote to raise and appropriate the sum of four thousand dollars (\$4,000) to be used by the Northwood Lake Watershed Association to control Milfoil in Northwood Lake? Majority vote required. This appropriation is in addition to the operating budget.

Estimated tax impact is \$.01 per thousand

Recommended by the Selectmen 3 – 0 Recommended by the Budget Committee

There was no discussion on this Article.

It was discussion that \$990,272.00 was the amount being removed from the Unassigned Reserve Fund. The balance would be dropping to 10% with funds if all Warrant Articles are passed using Unassigned Reserved Funds.

Len asked about the asked the amount in the fund for Article 11. It is \$866,000.00. Deb indicated she might have used some of the funds in 2021. It does not include the 2021 ambulance funds. Joni asked if the Fire Department Dispatch funds came from this line. It was discussed the dispatch comes out of the operating budget.

Penny asked where the school surplus funds go – they are used to reduce the next year's budget requests.

Len asked about Article 14. He asked who determines the percentage of what the Town pays vs. the other two towns. How is the figure determined asking if the Selectmen have any of that information? It was noted it is based on the Northwood Lake frontage. He asked about the calculation. Gary asked the amount they spend each year.

Virginia asked if there any questions from the Budget Committee regarding Article 2. Gary asked the percentage to be used for the Meetinghouse. Meadow noted the lower level only would be completed.

Gary noted that in speaking with Selectman Curley, he was under the understanding that there would be an addition to the Town Hall. Virginia noted the work will be minimal for the use of the building. Virginia noted for meeting areas there is the school, library and Fire Department. Virginia noted the Town needs office space. Virginia noted the work that has to be completed on the Town Hall to use it. Virginia noted that there is \$143,000.00 in contingency funds included in the project proposal.

Len noted he is disappointed in the management of the Town. The building is a Town Hall and has been for many years. He noted that we should use the Meetinghouse as

office space.

Penny asked about the American Recovery Funds. Virginia noted the Town will be receiving \$499,000.00. She noted that a portion can be used for revenue lost. Deb noted that \$148,000.00 could be used for revenue lost. Deb will approach the Selectmen about using more for the Town Hall renovation than originally planned. Deb was just informed that more funds could possibly be used for the Town Hall Renovations.

Len asked how much money was turned back from the school. Marylou thought \$113,000.00+/- . Len asked if they could have spent that money for a tractor, Marylou said if they had done a PO before June 30th.

Linda motioned to adjourn the meeting; Joni seconded the motion. The motion passed.

Marylou adjourned the meeting at 9:55 P.M.

Respectfully,

Betsy Bosiak
Recording Secretary