

Town of Epping
Budget Committee Meeting
December 12, 2018

Call to Order:

The budget committee meeting was called to order at 7:30pm. Pledge of Allegiance was recited by the members followed by a moment of silence for the troops.

Attendance:

Budget Committee Members: Don MacLaren-Chairman, Steve Ozols-Vice Chairman, Jeff Leombruno, Adam Munguia-Town Selectmen Rep, Jen Chapman, Marc Nickerson, Jacklyn Ulban, Joe Tremblay, Mike Charkowski and Cynthia Hounam. Heather Clark-School Board Rep and Joe Perry not present.

Other Attendees: Greg Dodge-Town Administrator, Lisa Fogg-Town Accountant, Tom Gauthier-Water/Sewer Dept, Tom Dwyer-Selectman, Dennis Koch-Water/Sewer Dept, Bob Bean-Water/Sewer Dept, Michael Yergeau-Selectman, Jim Pouliot

Opening Comments:

Don asked for any question before the water/sewer budget.

Tom Gauthier, Dennis Koch, Bob Bean and Jim Pouliot will be presenting the budget. Don asked once again for the breakdown numbers of the \$2.9 million warrant article that passed last year. Don said he still does not know if we are revenue positive after expenses, what is included, life expectancy, etc. Jim said the life expectancy is 30 years, electrical chemical, man power has been added to the bottom number of 9.2 years of payoff, also the interest of the bond, everything associated with the building, disposal of the sludge is included. The only thing that is not included is the sludge in lagoon #2. Jim said that was all he received, Don would like to see a better breakdown. Don asked for any other questions. Tom Gauthier said they will be coming forward with two warrant articles' but they have not been discussed so he cannot present them to the board.

Water Administration:

- Salary Administration: 2018 Budget \$19,560 - Proposed \$20,145.00 - \$585 increase
- Commissioners Wagers: 2018 Budget \$1,350 - Proposed \$1.350 – no change
- The next 9 highlighted items are non-discretion items that we cannot control, there has been an increase in insurance and employee cost.
- Audit – 2018 Budget 2,100 - Proposed \$2,100 – no change
- Legal Services – 2018 Budget \$3,000 - Proposed \$3,000 – no change
- Pro/Liability Insurance: 2018 Budget \$5,000 - Proposed \$5,500 - \$500 increase
- Advertising: 2018 Budget \$100 - Proposed \$100 – no change
- Dues and Subscriptions: 2018 Budget \$300 - Proposed \$300 – no change
- Office Supplies: 2018 Budget \$300 - Proposed \$300 – no change
- Postage: 2018 Budget \$700 - Proposed \$900 - \$200 increase due to the tax collector using a 3rd party to do the bills.

- Office Equipment: 2018 Budget - \$250 - Proposed \$250 – no change

Steve asked about the increase in health, Tom Gauthier said there was one employee not on the plan now they are on the family plan.

Water Operation:

- Salaries-F/T: 2018 Budget \$86,290 – Proposed \$109,135 - \$22,845 increase. Dennis said the salaries for water went up and the salaries went down as they are now splitting this between the two departments 50/50.
- Salaries OT: 2018 Budget \$10,000 – Proposed \$20,000 - \$10,000 increase. Dennis said this is for weekend duty and they are allowing money for meetings, emergency repairs and snow removal. The line increase was also mirror for sewer.
 - Mike Charkowski asked why there was such a big difference in OT, Dennis said it they went over quite a bit last and felt it needed to be higher One example is going from 3 people for a meeting once a month to 3 people twice a month, Also if there are emergency repairs need at night time, hard to predict and snow removal.
- The next 9 highlighted line are non-discretionary items that we cannot control.
- Engineering: 2018 Budget \$10,000 – Proposed \$1,000 - \$9000 decrease due to the engineering cost for last years' project and not needed for this year.
- Telephone: 2018 Budget \$1,200 – Proposed \$2,100 - \$900 increase due to the line being run to view the water system remotely.
- Alarm Monitoring: 2018 Budget \$300 – Proposed \$0 - \$300 decrease
- Laboratory Services: 2018 Budget \$7,500 – Proposed \$5,000 - \$2,500 decrease. A lot of testing is done in house now.
- Training: 2018 Budget \$1,000 – Proposed \$1,000 – no change
- Contract Services: 2018 Budget \$34,000 – Proposed \$30,000 - \$4,000 decrease
- Well Monitoring: Proposed \$17,700 – this is a newly added line. Dennis we will have a new line next year with Emery & Garrett and they required periodic data, date collection, reports to the state and annual report.
- Backflow Testing: 2018 Budget \$13,000 – Proposed \$13,400 - \$400 increase. This is required twice a year.
- Electricity: 2018 Budget \$35,000 – Proposed \$35,000 – no change
- Propane: 20148 Budget \$1,000 – Proposed \$1,000 – no change
- Equipment Maintenance: 2018 Budget \$3500 – Proposed \$1,000 - \$2,500 decrease
- Water Tower Maintenance: 2018 Budget \$71,500 – Proposed \$75,390 - \$3,890 increase. This is the contract for both, it will decrease next year to \$25,000/yr.
- Emergency Repairs: Proposed \$10,000 – this is a newly added line.
- Easement Rent: 2018 Budget \$9,500 – Proposed \$9,500 – no change. This is for the agreement with resident on Fremont road for our well on their property.
- Vehicle Fuel: Proposed \$1,500 – this is a newly added line. This split 50/50 between water and sewer
- Building Maintenance: Proposed \$1,000 – this is a newly added line.
- Vehicle Repair: Proposed \$1,000 – this is a newly added line
- Supplies: 2018 Budget \$500 – Proposed \$3,000. This is for new hydrants, parts for a water leak, new valve, new meters and things of that nature.
- Chemicals: 2018 Budget \$1,500 – Proposed \$1,000 - \$500 decrease
- Distribution Supplies: 2018 Budget \$8,000 – Proposed \$8,000 – no change

- Lab Supplies: Proposed \$600 – this is a newly added line. They will be doing a lot more testing in house.
- Instrument Calibration: 2018 Budget \$500 – Proposed \$2,000 - \$1,500 increase. This is for some new instruments
- Uniforms: Proposed \$1,600 – this is a newly added line
- Machinery & Equipment: 2018 Budget \$20,000 – Proposed \$30,000 - \$10,000 increase. This is for a small van for the water department next year, Dennis said right now they have 4 people for sharing one vehicle and employee using their personal vehicles.
- Depreciation Expense: 2018 Budget \$10,000 – Proposed \$100,000 - \$90,000 increase. Dennis said that it was recommended to get this line fully funded.
- Distribution System: Proposed \$10,000 – this is a newly added line.
- Land Bond & Interest: 2018 Budget \$96,715 – Proposed \$93,780 - \$2,935 decrease

Water Capital

- Meter Replacement: 2018 Budget \$20,000 – Proposed \$20,000 – no change. Dennis said they are required to replace 50 meters a year, they are on the 3rd year.
- Water Line Extension: 2018 Budget \$10,000 – Proposed \$10,000 – no change. This is for Old Stage Coach Road, when it was connected to the water line the let them spread the expense over time.
- Epping Crossing Wells: 2018 Budget \$10,000 – Proposed \$0 - \$10,000 decrease

Sewer Administration

- All the line items mirror the water administration

Sewer Operation:

- Salaries-F/T: 2018 Budget \$121,400 – Proposed \$109,135 - \$12,265 decrease. Dennis said the salaries for water went up and the salaries went down as they are now splitting this between the two departments 50/50.
- Salaries-OT: 2018 Budget \$10,000 – Proposed \$20,000 - \$10,000 increase
- The next 9 highlighted line are non-discretionary items that we cannot control.
- Engineering: 2018 Budget \$173,000 – Proposed \$20,000 - \$153,000 decrease. Left \$20,000 just in case it is needed.
- Alarm Monitoring: 2018 Budget \$500 – Proposed \$500 – no change
- Laboratory Services: 2018 Budget: \$30,000 – Proposed \$25,000 - \$5000 decrease. More testing will be done in house
- Training: 2018 Budget \$1,000 – Proposed \$1,000 – no change
- Trash Hauling: 2018 Budget \$4,000 – Proposed \$64,900 - \$60,900 increase.
 - Adam asked if this only includes the hauling now and it does not include if we purchase a roll off truck. Jim said yes
- Contractor Services: 2018 Budget \$35,000 – Proposed \$25,000 - \$10,000 decrease
- Grounds Keeping: 2018 Budget \$2,500 – Proposed \$0 - \$2,500 decrease
- Electricity: 2018 Budget \$75,000 – Proposed \$81,000 - \$6,000 increase
- Propane: 2018 Budget \$3,000 – Proposed \$2,500 - \$500 decrease
- Generator Fuel: 2018 Budget \$2,500 – Proposed \$2,500 – no change
- Telephone: 2018 Budget \$6,000 – Proposed \$3,000 - \$3,000 decrease due to new contract with comcast.
- Plant Repairs: 2018 Budget \$35,000 – Proposed \$30,000 - \$5,000 decrease

- Station Repairs: Proposed \$5,000 – this is a newly added line
- Vehicle Fuel: 2018 Budget \$3,000 – Proposed \$1,500 - \$1,500 decrease. They are split it up between the two department 50/50
- Vehicle Repairs: 2018 Budget \$1,000 – Proposed \$1,000 – no change
- Operating Supplies: 2018 Budget \$4,000 – Proposed \$4,000 – no change
- Chemicals: 2018 Budget \$70,000 – Proposed \$55,000 - \$15,000 decrease
- Laboratory Supplies: 2018 Budget \$3,500 – Proposed \$13,000 - \$9,500 increase for supplies needed for in house testing.
- Instrument Calibration: 2018 Budget \$2,500 – Proposed \$1,500 - \$1,000 decrease
- Instrument Repairs: Proposed \$5,000 – this is a newly added line
- Uniforms: 2018 Budget \$2,000 – Proposed \$1,600 - \$400 decrease
- Plant Mach. & Equip: 2018 Budget \$80,000 – Proposed \$95,000 - \$15,000 increase
- Depreciation Expense: 2018 Budget \$71,460 – Proposed \$224,532 - \$152,892 increase
- Roadwork Reconstruction: 2018 Budget \$4,000 – Proposed \$0 - \$4,000 decrease
- Station Mach. & Equip: Proposed \$5,000 – this is a newly added line
- Collection System: Proposed \$4,000 – this is a newly added line
- Miscellaneous: 2018 Budget \$1,000 – Proposed \$1,000 – no change

Sewer Capital

- He only item is Old Stage Coach Road, when it was connected to the sewer line the let them spread the expense over time.

Revenue – Water Fund

- Water User Charge: Water usage charge we charge the customer per gallon. Dennis said next year there will be an increase 40-42% on water rates.

Revenue – Sewer Fund

- There will no significant sewer rate change for next year.

Don asked that if we need to call the Water/Sewer Dept back I would like questions sent to me by December 17th. Tom Gauthier said they will get the info that was requested from Jim as soon as possible. Don thanked the commission for coming tonight.

Adam asked for any questions for the 2nd Town Budget review. Steve just stressed about the proposed and default number being such a big number, would like to get information to the town residence an explanation the best we can so they don't just go by numbers and possibly vote it down. Mike Yergeau said he would love to see a unanimous vote from the board. At this point Don will entertain any numbers from the budget committee that they think the town should reduced to, if not we will move forward. Don asked each member: Mike-none, Joe-none, Jen-none, Jacklyn-none, Steve-none, Don-none, Jeff-none, Marc-none.

Don asked for any old business. Joe asked how realistic is keeping a flat tax rate, Adam said it was a difference of opinion with the selectmen. Mike Yergeau said that if the town goes to default budget there will be no money left over for next year, if the proposed passes will may have extra money that can go back to the town. Steve asked if there is no money left then we cannot fund the "Fund" warrant articles correct. Tom Dwyer said that if there is no money those articles will have a tax impact on next year budget. Don asked for any other questions.

Meeting schedule:

- December 19, 2018: School Budget review #2, School Warrant Articles-Teachers Contract, Town Warrant Articles-Water/Sewer
- January 2, 2019: Warrant Articles

Don asked for a motion to accept the minutes from the December 5 meeting. Motioned by Steve, seconded by Adam.

Don asked for a motion to adjourn, motioned by Steve, seconded by Marc.

Meeting adjourned 9:45pm.

Respectfully submitted:

Cynthia Hounam