

Town of Epping  
Budget Committee Meeting  
November 13, 2019

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, Michael Charkowski, Jen Chapman, Adam Munguai-Town Selectmen Rep, Marc Nickerson, Mike Lecuyer. John Cody, Greg Dodge and Lisa Fogg. Phil Dudovicz, Jacklyn Ulban-Vice Chairman, and Cynthia Hounam were not present.

Other Attendees: Bob Jordan-Town Selectman, Michael Yergeau-Town Selectman, Joe Trombley-Town Selectman, Police Chief Wallace, Fire Chief DeAngelis, Nicole Bizzaro, Dennis Koch-W/S Commission and John Clark-Library.

Opening Comments:

Steve said tonight we will be going over the town budget. First is to approve the minutes of the October meeting, motioned by Michael and seconded by Heather. Motion passes.

New Business:

Adam will review the town budget, Adam said that the put a lot of work into the budget.

- This year budget comes in at a 5.8% increase (\$402,273) from last year. Of that \$78,670 was automatically added due to the “yea” vote on the library warrant article 2 years ago, which we took a bond out and now become part of the budget. The largest component is the police department which accounts for \$131,365 of the budget for a total of \$210,000.

Adam asked Lisa to go over the major changes. Lisa reviewed the following on the 2020 Budget worksheets:

- 7.4% health insurance, 3.9% increase for dental insurance, 8.5% for short term disability, 8% increase to the workers comp and not changes to the unemployment. Also included a reclassification of the property and liability insurance within the departments which includes a 6.1% increase, no changes to the NH retirement although it is on a fiscal year from July-June, there was a decrease for half of the year so it shows a decrease.
- Town Administration: shows salary increases from 2019
- Town Tax Collector: shows salary increase from 2019 and includes a new records preservation program

- Election & Registration: Increase for 4 elections in 2020
- Finance Administration: Salary increases from 2019
- IT Department: New maintenance program which has increase there, new vision software update which is required
- Planning Department: Salary increases from 2019
- General Government Buildings: Increases in the maintenance and repairs line
- Safety Facility: Added cleaning services
- Valuation of Property: Assessing increases for continued utilities appeals
- Debt department includes the new library bond payment
- Police Department: Contract and salary increases
- Fire Department: Contract and salary increases, increase for the new hire for the part time position, raises for part time part pay rates and moves some expenses to the revolving fund account to help offset some of the increases
- Building Department: Decrease for the adjusted hours worked in part time administrative position.
- Highway Department: Salary increases from 2019, full time new hire and additional truck lease.
- Transfer Station: New truck lease
- Recreation: Salary increases from 2019
- Library: Salary increase from 2019

Adam said that was the synopsis of the increase, he asked for any question and we are going to go line by line.

Page 1: Board of Selectmen: Budget is \$25,800.00 - .39% change. Shaded numbers are non-discretion items and cannot be changed.

- Heather asked Lisa if these are max rates for the shaded areas and if they can come in lower, Lisa said no these are actual rates.
- Michael Yergeau said with the salaries they incorporated a 3% cost of living increase that can be adjusted, all except the Board of Selectmen.

Page 2: Town Administration: 6.37% increase. 8.14% increase in salary by contract

- Heather asked how much longer that contract is, Adam said it ends this year, Greg said we have not signed the contract yet.
- Robert asked what the default vs the selectman proposed number are. Steve was not sure which number meets the contract, are violating the contract by going to the default or are giving him a raise beyond the default. Heather explained if the budget does not pass it goes into default and grievance will have to be honored. Michael Yergeau said you always have to meet the default you just cut from other areas. Steve asked if the selectmen were giving him a raise above the default, Adam said the 2020 budget reflects the raise we gave Greg last year at 2% and we had a merit rule where it was the discretion of this board to divvy out to we gave it to and we felt unanimously that the town administrator merit that raise.
- Heather asked regarding the office supplies/copiers for all dept if we have ever gone to do a larger contract for all the departments or does everyone have their

own negotiations. Lisa said a lot of the copiers came in at different times, so the contract end times vary so we have never done that. Lisa said she will look into it.

Page 3: Town Meeting/Board & Commissions: 0% change

Page 4: Town Clerk: 7.18% increase.

- Record Preservation: 200% increase. Adam said they wanted more money there. There is a binder from 1740 as well as older records that we are required by law to restore, that is something we cannot do in-house, so we need to put money in the fun which is an estimate. Greg said it is quite costly and is mandated they are in a condition that they can be read, he spoke with Erica they will do it in increments of the next few years to get us up to par, this is the first step. Greg said the entire process will be about \$45,000.

Page 5: Election & Registration: 49.11% increase due to another election next 2020

- Jen asked about the advertising line going from \$250 to \$1300, what kind of adverting do you do for an election. Greg said there needs to be a public notice put in the paper, changes to party affiliation or what have you and the cost for ads.
- Heather asked what new equipment we are buying, Greg said it was voting booths.

Page 6: Tax Collection: 5.40% increase.

Page 7: Accounting & Auditing: 3.42% increase

- Steve asked what the new software was that was rejected by the selectmen, we bought it this year so it is being installed starting January this year. Marc asked if it was in the budget last year too, Lisa said no, when they reorganized the property and liability insurances it ended up that the water/sewer needed to pay the larger portion of what they were paying so there was money left over in that budget which was allocated to purchase the software.

Page 8: Treasury: 0% change

Page 8: IT Department: 61.37% increase.

- Heather asked which computer were being updated, Greg said they are on a cycle with Certified Computers, each year they rotate out computers they maintain them for us. Some years we have none and this year we have 3, it also includes \$15,000 in software for vision appraisals which is mandated. We now have a total care package that will cut the maintenance package and rotation out of all the workstations/server so that we are always paying into each year and not getting hit with a big ticket item. It will save the town about \$8000 over a 5 year period with the program.
- Steve asked about the computer maintenance and the default budget, 2020 default is the same as the 2020 proposed but is more than the 2019 budget, is that okay. Greg said it is. Steve asked if we end up going with the default budget three is going to be no money for the software upgrade, is that going to be a problem. Greg said we would have to move some lines around.

Page 9: Planning: 3.82% increase. YTD expenses are low because they have not paid out everything billable yet.

- John asked if they know what was cut specifically for professional services, Heather said they have not used it in the past as much and it is shot in dark what you need, so they were trying to make it more reasonable for the town. Michael Yergeau said that if anything large come up that is where they pull the funds from.

Page 9: Zoning: 0% change

Page 10: General Government Buildings: 12.02% increase.

- Marc asked which building are part of this, Greg said Watson, safety complex, town hall, library, old central fire station
- Heather asked what the plans are for this money, Adam said an example is a new roof or any big ticket items.
- Heather asked if we have a revolving account, Greg said only the town hall. Heather asked how much was in there, Lisa said \$10,000, it is a Trust fund not a revolving fund so any big ticket items that come up can come out of the trust fund.

Page 11: Watson Academy: .77% increase

- Heather asked Nicole is there is any work on her list to be done, Nicole said the biggest thing is the next few years is the roof, but it is not in this particular budget, it is part of the capital reserve fund. We have money on the repair & maintenance line item that gets used on a regular basis as it is an older building.
- Steve asked how much money was in the capital reserve fund, Lisa \$45,000. Steve asked if it was enough to cover a new roof, Nicole said not as of yet.
- Nicole received L chip grant for the repair & painting of Watson and she will apply again for the grant for helping with the roof.
- Michael asked if they have ever done any energy audit over the past five years to see if there is anything to do for efficiency, Nicole said that they have not.
- John asked if cleaning services were being completely eliminated, Nicole said she has an employee picking up those hours so they moved it back into the custodian line.
- Bob Jordan said that another line item you will see increase is the water/sewer lines because of the bill rate increase.

Pag 12: Safety Facility: 2.68% increase.

- Robert asked what was happening with the roof of this building, Joe Trombley said the chief got some bids back for approaches on how to repair:
  - One ranges from \$17,000 repair for 3-5 years, also replacement cost of \$35,000. That does not align with others so they will need to explore more as to why they came in less.
  - Another bid come back to redoing the roof with rubber membrane which was \$70,000-\$80,000,
  - Another bid came in right around the same price for a new metal roof
- Marc asked if this is for the flat roof, Joe said yes. Heather asked if they do a new roof if they are changing the pitch, Joe said no, you would have to change build it up with insulation or change the entire steel framing.
- Heather asked if you were to do the \$17,000 repair would it come out of the 2019 budget, Marc asked if they plan on doing it by the first of the year to incur it into this year budget. Joe said yes.
- Joe suggested starting a capital reserve budget to put away for the roof in 3-5 years. Michael Yergeau said they are going to formalize the RFP process so that way they get apples for apples comparison from each contractor as to what they ask for.

- Marc asked about the cleaning services line, Chief Wallace said they lost their trustee program this year, so he had to hire a cleaning service for both sides of the building.

Page 13: Highway Building: 8.05% increase. The electricity cost and maintenance went up.

Page 14: Valuation of Property: 16.55% increase. Utility Revaluation and Utility Appeals went up.

- Greg said we are going through re-eval next year, we have a new utilities re-eval contract in this week which the board has not seen yet which is an increase so the increase does not reflect this budget but asked them to keep the cost the same, have not heard back yet.
- The appeals are going to be a concern of ours, Fairpoint and Eversource are ongoing, both in superior court and supreme court and are costly. We have money in the overlay in case are found at fault, he cannot say the number but they are high.

Page 14: Legal Expenses: 0 % change. Adam said depending on the year you have, \$20,000 is not nearly enough or can be too much.

- Greg said we do use NH Municipal Association, a free legal service quite a bit to offset those cost, we have not included in there the cost of an attorney for the police union negotiations which are next year. We have not used them in the last 3 years and we are not going to next year so it is not in that line.

Page 14: Personnel Administration: 0% change

- Adam said last year not all the money was spent so it went back into the fund. Heather asked if it included the FICA, etc., Lisa said yes it does
- Steve asked if it could be called “bonuses” rather than “merit pay”. Michael said they wanted to get away from that and have all the dept heads specify specially what the person did to deserve the increase and justify why they deserve the merit pay.
- Steve said this is a ripple effect, when you increase salaries it gets carried over to the next year, the 3% cost of the living increase is more than what it would have been if it was a bonus. Heather does not feel that it is fair to the community to give our employees a 5%-8% raise each year. Bob said that within the last year we adjusted salaries, Heather agrees with Steve that it should be a bonus line not a merit pay. Heather said she thinks there is a wording issue.
- Michael Yergeau said that all the dept heads need to fill out a form and apply to go in front of the selectmen to state why they should receive the merit. Heather asked if it was a bonus or added to their salary. Greg said we do not use the word “bonus”, the town does not give out bonuses, the budget is built on presumable a 3% increase for all employees and they don’t all get it and on top of that there is a \$30,000 merit pool for an adjustment for positions based on job position, promotions, etc.
- Bob asked about the difference between the proposed budget. Adam explained we are going through the proposed budget, if that does not pass then we go to the default. Bob said the default is \$8.6 million and selectmen approved is \$9.2 million, does it have to be one or the other or can we approve a number in between,

Greg said yes, the budget committee give us a number and we have to decide where to cut it from not the committee, it is a bottom line budget. Bob asked about the 10% rule, Lisa said it comes into play at the deliberative session, you can change budget numbers or warrants but it cannot be more than 10% more of what has been proposed or what you have notified the public of what you budget is going to be.

- Michael Charkowski asked again about the merit pay, do you think it is better to address it on a one on one basis or to do a salary audit every few years. Adam said last year they did it by position. Heather again asked if you find someone that needs to be adjusted it should be in their budget not the merit, Bob said that is unforeseeable so it can't be in the budget, if after their budget has been submitted and they find out in order to retain that employee we would need to make and adjusted coming from the merit pool

Page 14: Cemeteries: 0% change.

- Marc asked if we were going to do some tree removal for that \$8000 line, Adam will get that answer for him.

Page 15: Insurance: 25% decrease because re-allocated the funds

Page 15: Health: 0% change. Greg said they are required to have that line by law.

Page 15: General Assistance: 28.61 decrease.

Page 16: Conservation Committee: 0% change

Page 16: Principal Debt: 104.35% increase due to land purchase bond and library bond

- Heather asked when the land purchase bond is paid off, Lisa said 2033. Heather asked how many years the library bond is, Lisa said 10 years.

Page 16: Interest Debt: 51.46% increase because of the library bond.

Page 17: Police Department: 5.68% increase. We had the chief cut out some very important additions to his force, he had some outstanding positions he wanted to bring on and we got him to cut one. \$4,400 was cut from IT budget.

- Phil asked if anything was anything cut from cruisers, Chief Wallace said no. Heather asked if he was replacing two, Chief Wallace said yes.
- Heather asked if the extra position you wanted was going to be brought forth by a warrant article, Chief Wallace said no.
- Heather asked if there is a reason the YTD date equipment seems low, is there some outstanding purchases that are not on here yet. Chief Wallace said yes, when he prepares the budget he went over on the overtime budget so now there are things he can not purchase because he went over so he increased that by \$10,00 to absorb some of that cost and hopefully by next year he can purchase some of the things for the equipment line.
- Steve asked if two of the cruiser would be retired, Chief said that they will use one for the details and the older one will go to the RSO, two are also going to auction.
- Marc thanked the chief for running the department on a 0% increase budget.
- Michael Charkowski said going forward in future years, where are the cost coming from and getting revenue for what those cost are for, compared to other towns our budget seems high. Chief Wallace explained that Epping is unique, has a lot of commercial on 125, we work with the budget we have and apply for grants every

opportunity he has. Greg also added that the number one thing that drives his budget up in the personnel. Heather asked if anyone they hire is required to stay here for a period of time, Chief Wallace said they require 3 years.

Page 18: Animal Control: 0% change.

Page 19: Fire & Rescue: 3.42% increase. Bob said for salaries we are 7.92%, there was a fulltime firefighter that we asked the chief to remove to get the numbers in line. This is one of the few budgets that generates money.

- Chief DeAngelis said in light of the budget he opted not to go with a fulltime, one shift has 2 people and the other shift has 3 people because we moved two full timers to night as no one volunteers like they used to which left his short 1 shift so we can put 2 part timers in that position. The other thing in the budget, asked by the selectmen, was to bring the fire department pay up to the town level and there is \$20,000 in there to compensate everyone up \$1.00. This is one more increment to get there. Marc asked how long before we get up to that level, Chief DeAngelis said we are still \$100,000 off but we are getting there.
- Chief DeAngelis said on the revenue side we are up, this year after expense we will have \$418,000 in that account and that account pays for all the capital expenses. Bob Jordan said last year we bought a fire truck and ambulance from that account.
- Marc asked what the staff count is, Chief DeAngelis said 5 full time, 43 part time.

Page 20: Building Inspection: 6.44% decrease, removed \$1000 out of the vehicle maintenance line.

Page 21: Highway Department: 7.31% increase.

- Heather asked Dennis Koch how many full and part time employees he has, Dennis said he has added one more fulltime in the budget bringing it to 6 full time and 2 part time. Heather asked why plowing contractor line went down \$20,000, Dennis it went down because they usually contract 3 but this year they could only retain 1 right now, so talking with the selectmen he decided to lower that down, and they actually have moved \$10,000 from that line to the OT line because his guys will be working to cover those open spots. Dennis said that in the equipment line they budgeted for a zero-turn lawn mower.
- Steve asked if he could go over the road reconstruction plans for next year, Dennis said Rockingham planning commission put together a 3 year projected plan and he can send that to the board. They evaluated all the roads, rate/ranked and assigned a point system and they projected by that figured what would be a priority over the next 3 years.
- Marc asked about the signs line, Dennis said it was for 4 flashing school signs, 2 on Main Street, 1 on Academy and one on Prescott. Marc also asked about the sand line, last 2 year we didn't spend any and this year we are adding another \$10,000. Dennis said this year they rented a sifter and they sifted for 2-3 weeks that might have got put in equipment rental by mistake, but they generally take the rental and they contract with trucking. Dennis said they have definitely used money out of there, we may not have seen the invoices yet. Marc asked with all the new vehicles you have replaced why has the vehicle maintenance line not gone down, Dennis said we still have a 1998, 1999 & 2009 so 3 trucks are quite old and expensive to keep going as well as the newer vehicle emission and regulations.

Page 22: Street Lighting: 18.42% due to LED's.

- Heather said YTD was \$8910.09, expenses were \$15,324.86 but the budget is \$19,000. Adam it was an estimate as the lighting is new and we still have another quarter to go. Lisa said even though the YTD is \$8910.00 that is only through August, so the billing is a month behind.

Page 23: Transfer Station: 3.44% decrease.

- Heather asked if the ground water monitoring is an annual fee, Dennis said they sample in October, not a lot of wiggle room in that one.
- Steve asked if the hauling services being down is due to the truck lease taking the place of that, Dennis said yes, we have done some shifting around since the purchase of the roll off truck. Steve asked if we make any money off recycling, Dennis said with the aluminum cans we do, which is probably \$4000-6000 twice a year. We pay to get rid of the plastic, paper and a lot of stuff. Heather asked if it would be easier to do single stream recycling, Dennis looked into it but there is no facility locally so we still have to pay to get rid of it and it gets really expensive.
- Heather asked how many full time and part time employees are at the transfer stations, Dennis said 1 full time and 4 part time. Heather asked why the uniform line double, Dennis said the company was bought out and jacked the prices up.
- Dennis said he looked into curb side pick up and it would cost an addition \$450,000 a year and that's taking into account letting half the staff go.
- Steve asked if we are going to close up the stump dump, Dennis the state is going to force us to cap it, so the town paid CMA engineers 10 years ago and the projected cost would be \$1.4 million. Heather asked what the time frame that would be, Michal Yergeau said that we will wait until we are mandated. Dennis said the water monitoring would dictate if there are PFOs in the water and that will trigger having to close it.

Page 24: Recreation: 9.29% increase.

- Heather asked what IT services, Greg said they added them to the contract issue.
- Marc asked if the park maintenance was because the highway dept will be doing lawn, Bob said yes and the basketball nets and plowing.

Page 25: Library: 7.8% increase. Adam said the water/sewer line was increased 100% across the board as that is what it is going to cost. The adjusted for the utility cost as it is double in size now.

- Heather how many part time employees are there, John said 4.
- Marc asked the opening date of the library, John said he was not sure but it is close. Greg said today was moving day and Joe said we can't open to the public until we get the C of O.
- John said the salary increase accounts for having two people on rather than one for the size of the building and the merit/cost of living expense which he will be going over with the selectmen.

Adam said that wraps up the town budget.

Greg asked if dates were set for any further review of the town budget and/or warrant articles. Steve said we are going to discuss the next meeting right now and going forward. Greg said the selectmen will see the second draft of the articles on Monday, November 18.

Steve asked if there is anything to get a preview if we meet next Wednesday, Greg said they are looking to increase the veterans exemption, total disability exemption, funding the land fill closure, town hall and the police chief has done a warrant article to expand the locker room, excavator purchase, renaming the town hall capital reserve fund to town buildings.

Steve said regarding the town budget, we need to think about if we like it or not, did we get all our answers. We can either talk about this now or meet next week. Steve asked if there are any comments. Adam thinks it is good to take a week and digest. Steve asked if the selectmen approved this budget 5-0, Adam said yes.

Heather said if we are meeting next week she motions to adjourn, seconded by Marc.

Meeting adjourned 10:15pm

Respectfully submitted:

Cynthia Hounam