

**BOARD OF SELECTMEN
TOWN OF PEMBROKE, NH
MARCH 30, 2020 at 6:30 PM**

Present: Chairman Ann Bond, Selectman Mike Crockwell, Selectmen Richard Bean, Selectman Karen Yeaton

Staff: Town Administrator David Jodoin

Excused: Selectman Sandy Goulet

I. Call to Order:

Selectman Bond called the meeting to order at 6:30 pm.

II. Town Budget Discussion

David Jodoin opened the meeting by stating that they are here to discuss how the COVID-19 crisis will affect the Town Budget. David stated that the Selectmen have no control over what was approved at the March School District Meeting as the School budget falls under the purview of the School Board. The School District is currently wrapping up their 2019/2020 year. At that time, any surplus funds will be available to the School Board to be applied to the 2020 tax rate. The same goes for the Town. Any funds left over from FY 2019 can be used to offset the 2020 tax rate and the bills that will go out in the fall. That tax rate is typically set in October of each year. David stated that an issue that they will run into is the audit. The auditors typically come in May/June and meet with the Select Board to go over their findings in September. The auditors are currently working from home and when and how they get to do the audit is unsure at this moment. David has uploaded approximately 90% of the Town's information to their portal for them to review. Because of this, they may not know the Town's true surplus number at the time they typically would.

RSA 32:15 states that all payments that were approved at Town Meeting must be paid by December 15th to the Trustees of Trust Funds.

David clarified that a fund balance and cash are not the same thing. NHDRA describes the fund balance as the difference between assets and liabilities of local government. The largest asset being the overage in taxes. Since that has not generated any cash for local governments yet, it is unwise to think of the fund balance as cash.

Each entity is also required by GASB 54 to have a fund balance policy. Pembroke has one that has not been updated in a while and will need to be. From 2005-2019 the town has sent back to taxpayers a combined total of \$5,611,000.

The Town currently has three pending lawsuits and two of which are not covered by insurance. One of the law suits is with Religious Land Use and Institutionalized Person's Act. Selectman Bean stated that he believed that law suit was dismissed by the Supreme Court. David stated it was but locally, they are in the first Circuit Court of Appeals in Boston and if Pembroke wins there, they have already stated they will take it to the next level, which would be Washington. The second lawsuit is the Board of Selectmen land use issue with San-Ken Homes for not opening up the Range Road. That project is still pending before the Planning Board. The third is the utility assessment cases that are prevalent in every community.

David explained the first half tax bill which is covered under RSA 76:15-a talks about semi annual tax collection. For the purposes of this section, the list of assessed property shall be committed by the selectmen with a warrant under their hands and sealed directed to the tax collector of such town, no later than May 15th. The collectors shall mail all bills for partial payment no later than June 15th. The Selectman are required by law to send out the first half tax bill.

David explained that in most municipalities, the number one revenue generator is motor vehicle permits. When things are bad, people do not typically buy or lease new vehicles. This year there is \$1,400,000 budgeted for motor vehicle revenues. By the end of July, they will have a better idea of where the Town stands with that. The second highest generator is Rooms and Meals tax. People are not going out to eat or staying at hotels and that is going to cause a drop in that revenue. Last year, the Town received \$361,000 from the State of New Hampshire. Other potential losses may come from the State Highway Block Grants and State Education Funding.

Realize the Town is required to pay any contractual obligations which for the Town is the crack sealing contract that was signed at the last meeting, mowing, street cleaning, street striping, and catch basin cleaning. There are debt service payments that also need to be paid. County Tax will be close to \$2,000,000. If it is not paid, there is a 10% penalty. The School District appropriations will also need to be paid. Between now and the end of June, they will be receiving a little over \$1,300,000. At the end of June for July, they will be due \$1,500,000 and \$1,250,000 on average every month thereafter.

David asked if the Board would still implement the 2.8% Cost of Living Allowance (COLA) adjustment that was passed and in the budget. The Town is required by the Public Works Collective Bargaining Agreement to process theirs but not for all other town employees. David asked if they would like to freeze spending and what would be the parameters and if Town Hall is going to re-open on April 6th as currently planned. Selectman Crockwell asked how being closed is working so far. David said people are doing as much as they can online and tax payments are coming in through the box outside. Things are working ok.

Selectman Yeaton if all town employees are functioning in their current roles. David stated that everyone is currently still functioning to the best of their abilities even though they are closed. Selectmen Yeaton asked if there is anyone not functioning in their role. David stated that with the exception of the Library, everyone is working. Sue Whitbeck, Library Trustee, stated that they are not taking book returns but they are going to the building when needed and trying to do what they can such as online story time. People are working on projects from home or in the building. They are trying to not schedule more than one person to be in the building at a time.

Selectman Bean and Selectman Crockwell supported still giving the COLA adjustments. Selectman Yeaton stated that taking residents and the bigger picture into consideration, the Board should hold off on spending until they have a better idea of what is happening beyond May or June. Selectman Bean asked what the total COLA increase was in the budget. David answered around \$25,000. David suggested deferring the COLA until the end of the year and possibly doing a lump sum payment. Public Works will be receiving their COLA on April 1st. Selectman Yeaton supports deferring the COLA. David stated that if revenues do not come in, there are still obligations that need to be paid. If the Town does not have the funds, they will need to issue a Tax Anticipation Note through a bank that will have interest and be due by the end of the year.

Chief Gilman asked which departments would still get a raise and which would not. David answered that Public Works will get their contracted raises April 1st. The Board does not control Library or Sewer. They would have to make those decisions. Water also has their own budget.

Selectman Bean shared concerns that not giving voted on raises may force other departments in town to unionize. Dwayne Gilman, Chief, Pembroke Police Department, stated that Pembroke Police Department is one of the only departments in the area that are currently not in a union. Unions are common for Police and Fire Departments. Chief Gilman stated that he would not be surprised to see the next generation of law enforcement form a union. They are currently on the edge now and with the knowledge that unionized workers are getting a raise they will not, it will likely force them into that position. Selectman Bond supports giving the COLA to town employees.

David suggested listening to the remainder of the budget presentations from department heads before making the decision.

Chief Gilman stated that he has been approved for two cruisers. Those cruisers will not be coming in because the Ford plant is currently shut down in order to make face masks and PPE gear. They will need them down the road but right now he is not asking for them. The Chief stated that the Police Department budget is run very tightly. They have had minimal increases over the years and it cannot support a budget cut at this time. Selectman Yeaton asked where the Department is at with cruisers right now. The Chief answered that he ordered a cruiser 389 days ago when

it was approved in March of 2019. It was supposed to be in by September 2019. It came in 3 days ago and came in black when they ordered white. They called to let them know, and they were told that the factory just shut down and is now building surgical masks and the two cars that they ordered this year are stuck on the assembly line somewhere. Right now, they have two cars with no warranty and well over 100,000 miles on them. The fleet of cars is large enough that every officer has a car. This gives the cars a rest and helps with the longevity of them. The pandemic will likely not show a light at the end of the tunnel until May/June so there is no way of knowing when those cars will be getting fully assembled and delivered. There are a few cars in Massachusetts that they can get so they do not have to run the black car.

Harold Paulsen, Chief, Pembroke Fire Department, shared that the best asset for this town is the town employees and recommended implementing the COLA. The Fire Department has one full-time employee so they are unable to make any staff cuts. Chief Paulsen stated that they would be able to find savings of \$20,000 in the budget but that is it. The other thing they could do without is the \$150,000 capital reserve contribution and those purchases could be deferred. As Chairmen of Tri-Town Ambulance, Chief Paulsen shared that they have no room to cut personnel and they will also receive the 2.8% voted in COLA. Chief Paulsen stated that the Town has always run a very lean budget which means there is not a lot of room to cut. David Jodoin asked what purchases he would put off. Chief Paulsen stated that there are smaller purchases like a new floating pump and gas meters that they could put off. The Chief stated that Chris Gamache, Director of Tri-Town, stated that cases will likely start climbing within next two weeks and then relief will likely start at the end of June. Three people have been transported with known symptoms in the last week but they do not have a definite positive diagnosis. Selectman Bond asked how they are doing with supplies. Chief stated that right now, they are ok. They ordered supplies before the pandemic ramped up but they do not have the 3M N95 masks everyone is looking for.

Jim Boisvert, Director, Pembroke Department of Public Works, stated that he gave David a list of items that could be deferred. The \$175,000 loader is ready to be put out to bid but that can be put off until the end of August/September. The Roads budget will be discussed at the next Roads Committee meeting. All the prices are a little higher than normal right now. Right now, all the roads will not be done as planned but if contractors will agree to hold their price, they may be able to do them towards the end of the year. The cost of the North Pembroke Road Bridge has gone up over \$400,000. It goes out to bid at the end of April. The construction industry is still strong but the \$400,000 may still not be enough. The Bridge is supposed to start in November. The Asset Management Grant for MS-4 is \$30,000 but that is money coming in and immediately going back out. Selectman Crockwell asked when they will know if the contractors decide to hold their price. Jim stated that he will need to look at the bids but if they have 30 days to sign and if there are no escalation clauses, then they are agreeing to keep the price. Jim Boisvert stated that he would also be willing to retire earlier to save the Town his salary. David stated that the North Pembroke

Road Bridge project cannot be put off because there is a signed contract with an engineering firm and the City of Concord. Jim shared concerns from the Public Works employees about keeping them safe at the transfer station and when they are out doing other duties and projects.

Sue Whitbeck, Library Trustee, stated that the plan is to not have an in-person meeting at this point but they have been circulating emails looking for places they can save in their budget. They will save money on community projects since they cannot open the doors of the library to the community. Sue stated that if the Selectman voted not to give the town employees COLA, she would not vote to give it to Library employees either. They will follow what the Town does but she does not feel it should be withheld. Staffing is a concern because when they open, they want to open completely. They are supposed to have two people in the building when it is open. At this point, Tim Sheehan, Library Director, is the only person who works enough hours to qualify for insurance. If any one person is let go and they have to increase other people's hours, it would put them over the limit where they would receive benefits. They will continue to work to lower their budget even though they do not have an exact figure right now. They will get ideas to David this week.

David asked if the Board has been thinking about what the overall tax rate will be at the end of the year and will they look at trying to level fund it to what it was in 2019. Selectman Bean stated that there will be a decrease in operational costs for the school buildings so they should have funds to return to the Town. Selectman Yeaton stated that the impact of the town on the tax rate was \$5.77 and last year it was \$5.75. David asked if they have thought about using town money in order to level fund the budget to compensate for the increase from the School District. Selectman Yeaton does not believe that would be possible to do. David stated that it would be possible if they take money from the surplus fund balance and add it to the budget to lower the Town budget total the amount of the School District increase. It would take the Town tax rate from \$5.77 down to \$3.01. If they do that, they would need to understand that it would just be a one-year savings and next year it would go back up into the \$5.00 range. Selectman Bond stated she is uncomfortable with that idea. At tax-rate setting time, it is the only time they can take from their surplus fund balance. If revenues fall short and contractual obligations and debt service obligations are unable to be paid, they will need to borrow those funds because that is not an instance when they can take from the fund balance. Selectman Crockwell asked what would happen if they lost one of the law suits not covered by insurance. David answered that it is a risk. Selectman Yeaton shared that she would rather see the School District step up before they take funds from the fund balance.

Selectman Yeaton made a motion to send a collective communication from the Select Board to the School Board and SAU requesting cooperation and a meeting by April 13th. Selectman Bean seconded the motion. Motion passed 4-0.

Selectman Bond stated that the School Board is uncomfortable presenting any meetings while the school is physically closed. Selectman Bond wanted to suggest having them meet at town hall since the cameras are live. The Selectmen do not have an issue with that.

David asked if the Town Hall is going to open back up to the public on April 6th as planned. Sue Whitbeck shared that they will re-open when the Town Hall does. Selectman Bond suggested following what orders the Governor has made.

Selectman Crockwell made a motion to re-open Town Hall to the public on May 4, 2020. Selectman Bond seconded the motion. Motion passed 4-0.

Jim Boisvert asked if the Road's Committee will be able to meet April 7th at 6:00 at Town Hall. They need to review contracts and have other important decisions to make. The room they currently use is very small and they can distance themselves properly in the Town Hall meeting space. The Select Board has no issues with them meeting at Town Hall.

Selectman Yeaton asked for an update on what is happening at the transfer station. Jim stated that they are not helping people unload vehicles and they are actively discouraging congregating. With the decreased traffic and the cost of renting a dumpster and running the loader, it has not become cost efficient to run the single stream recycling program at the transfer station.

Selectman Bond asked why they can't allow residents to put their own recycling into the dumpster to save on having to use a loader. Jim answered that it is a 50-yard dumpster and the sides are very high. Selectman Yeaton asked if he or any of the employees have any concerns with keeping the transfer station open. Jim answered that he has more concerns now than when they discussed it a few weeks ago. There are towns that are closing their Public Works Departments. Selectman Bond shared concerns for illegal dumping if the transfer station was to close. Chief Gilman shared that they are already seeing signs of that. Chief Paulsen stated that as long as they are clean and maintain a 6-foot distance, they should remain safe.

Jim shared concerns for Spring Clean-up on April 21st since the virus stays on paper and they have to pick up paper bags filled with leaves and brush. Selectman Crockwell asked if they have enough rubber gloves at the transfer station. Jim stated that they do. Selectman Bond stated that they will discuss this further at the next meeting.

Chief Gilman asked how they want each department to proceed with the budget. Each department has purchases they need to make. David stated that they will still need to pay the normal operating expenses. David has confidence in all the department heads to make these decisions. The Selectmen agree that the department heads should go on as normal while putting off large scale purchases for now.

Selectman Bean made a motion to give town employees the previously voted on COLA raise of 2.8% effective April 1, 2020. Selectman Bond seconded the motion. Motion passed 4-0.

III. Non-Public:

Motion by Selectman Bean to enter non-public session in accordance with RSA 91-A:3 II (a) The dismissal, promotion, or compensation of any public employee, or the investigation of any charges against him or her, unless the employee affected (1) has a right to a meeting and (2) requests that meeting to be open, in which case the request shall be granted. Seconded by Selectman Crockwell at 7:56pm.

Roll Call Vote:

Selectman Yeaton	Yes
Selectman Crockwell	Yes
Chairman Bond	Yes
Selectman Bean	Yes

The Board came out of non-public session at 8:14 PM

IV. Adjourn:

Motion by Selectmen Bean, seconded by Selectmen Crockwell to adjourn at 8:14 PM. Motion Passes 4-0.

Ann Bond, Chairman

For more detailed information, the meetings are now taped and can be seen on www.townhallstreams.com click on Pembroke NH and look for the day of the meeting under the month.