

**TOWN OF PEMBROKE
BUDGET COMMITTEE PUBLIC HEARING
SATURDAY, FEBRUARY 6, 2010**

Budget Committee Members: Mark LePage, Chair; Gerry Fleury, Vice Chair; Michael Connor; Bruce Kurinkas; Marie Chouinard; Dan Crean; Brian Seaworth; Tom Serafin, School Board Rep.; Tina Courtemanche, Selectmen Rep. *Excused:* Ray Foss

School Board Members: Clint Hanson, Chair; Tammy Boucher; Richard Mitchell
Others Present: David Jodoin, Town Administrator

Mark LePage called the public hearing to order at 10:03 AM. He introduced representatives from the School District, Town Administration, and Budget Committee members. He informed the audience that there were Municipal and School District Budget packets as well as other informational documents available on the table in the rear of the room. He explained the format of the public hearing and gave a detailed review of the handouts. He also gave a brief statement on the budget process and how the present state of the economy has impacted the budget. He thanked all members of the committee and department heads for their hard work and responsiveness during the budget process.

Mark gave an overview of the Summary of Tax Rate spreadsheet explaining that the total tax rate, if the combined Town/School budgets as proposed by the Budget Committee are approved, would result in a 2% increase from 2009. However, if the combined budgets proposed by the School Board and the Selectmen be approved, it would result in a 4.6% increase in the tax rate from 2009. Additionally, the Budget Committee will meet one last time to make final budget recommendations based on feedback from this public hearing. Mark indicated that the school district has not yet reached a Collective Bargaining Agreement.

Tom Serafin explained the general philosophy and zero-based budgeting approach the school district took in preparing the proposed 2010/2011 budget. He highlighted some major increases including health insurance, teacher retirement, salary increases for non-certified staff, transportation, program improvements, and vocational education tuition. Major savings include special education and the transfers from reserves/trusts of approximately \$130,000. The total proposed school budget if approved is \$23,817,412. The Budget Committee is recommending a reduction of \$325,000 which would reduce the total proposed budget to \$23,492,412. Tom then reviewed each warrant article and explained the process of funding them from surplus.

David Jodoin reviewed the Town budget process and explained that the town also used a zero-based approach when preparing the budget. He outlined large increases including an 11.4% increase in health insurance. He briefly reviewed large ticket items from last years budget and indicated that there was a \$90,000 decrease in shared revenue from the State which impacted the overall tax rate in 2009. The proposed Town budget if approved is \$7,545,665. The Budget Committee is recommending a reduction of \$77,020 which would reduce the total proposed budget to \$7,468,645. David then reviewed the warrant articles.

At this time, Mark opened the hearing to public comments.

Citizen Pentti Aalto asked for the status of the Collective Bargaining Agreement. Clint Hanson explained that both parties are at an impasse. Since there was no ratified agreement by February 4, 2010, there will be no agreement brought to Town Meeting in March but that a special school district meeting can be held once an agreement is reached.

Citizen Rosemarie Michaud requested a further explanation of the \$55,000 increase in school salaries. Tom stated that the increases are for employees not included in the contract and that the school board recommended an increase of 1.5%. Ms. Michaud feels that there should be a wage freeze due to the present state of the economy. She further inquired as to the increase in health insurance for school; what the split is, and if it can be changed. Tom indicated that health insurance is presently an 80/20 split and is part of the Collective Bargaining Agreement for a significant part of the staff. Ms. Michaud requested further information on salary increases and health insurance for the Town. David Jodoin explained that part of the salary increase is related to the Public Works Collective Bargaining Agreement which amounts to a cost of living increase of .15% with a possible additional 1% for merit based on their employee review. In rare instances an employee can receive a 2.5% merit increase for an exceptional review, but this needs selectmen approval. Health insurance for the Town is an 85/15 split.

Citizen Bob Pitre feels that a 2% increase in the tax rate is reasonable but asked how much of that is tied to 2009 property revaluations. Dave Jodoin reviewed the process of the 2009 property valuations. Gerry Fleury further explained the process and described some situations that can affect the numbers. Fred Kline further commented that if residents did not request a hearing during the revaluation process and have questions regarding their assessments, they should contact Town Hall to inquire as to the abatement process.

Selectman Fred Kline gave a brief history of the Capital Improvement Program (CIP) and reviewed the role of the CIP Committee. He explained that the committee had expanded their research this year to include capital reserve accounts' funds and activities. Through this process, they were able to identify those that were not being utilized appropriately and those where items in the budget could be funded through these accounts. Fred described how the selectmen review each item that appears on the detailed town expense manifest and noted that after Town Meeting in 2009, the selectmen made further reductions to the budget to accommodate the \$90,000 decrease in shared revenue from the State in order to minimize the impact to the tax rate. Lastly, Fred recognized the contributions of the Town Administrator, David Jodoin, for his work in preparing this year's budget.

Citizen Jay Ward commented on health insurance through LGC and a recent court decision. He hopes that recent discoveries are being taken into consideration. Clint Hanson indicated that he is on the LGC Board of Directors and stated that LGC is a non-profit entity and that non-profit entities are subject to the right-to-know law. He gave a brief summary of this process.

Citizen Dave Doherty encouraged the school board and the teachers association to expedite getting an agreement on the table due to the impact it could have on the school budget. He feels that the sooner this is accomplished, the sooner a fair contract will be put in place. Clint Hanson replied that the school has a formal proposal on the table but has received no response. He explained that a special school district meeting can be held once an agreement is reached. Additionally, Clint briefly explained the Evergreen Clause.

Citizen Jay Ward further commented on Collective Bargaining Agreements.

Mark LePage announced that any further discussion regarding the Collective Bargaining process will be halted because the agreements are not in place. He then asked if there were any further questions regarding budgets.

Citizen George Fryer was unclear as to where he would see the health insurance increase on the MS-7 and why there is such a substantial increase. David Jodoin stated that the MS-7 form reflects the total increase and that there is a separate line item built into the operating budget for each department which can be seen in the budget detail. David further explained the cooperative agreement reached in 2009 which included a substantial decrease of 13.4%. Mr. Fryer thanked all boards for their work in preparing and explaining an understandable budget.

Citizen Frank Davis, member of the House Ways and Means Committee and Chair of the Merrimack County Nursing Homes Committee, spoke briefly about county nursing homes and indicated that since the Selectmen first received the county budget from the Commissioners, the nursing home lost \$1.2 million in funding. He announced that the Executive Committee will be meeting on March 8, 2010 at 9:00 AM and the entire delegation will meet on March 15, 2010 at 6:00 PM; the public is invited to attend.

Citizen Rosemarie Michaud emphasized that there should be more reductions to the budgets to allow a zero increase to the tax rate and this reduction should include a wage freeze.

Citizen Reg Dickinson asked for the status of the Bio-Mass plant. Jonathan Burnham gave a brief overview of the project and stated that they are moving forward with a no/low interest loan for the full cost of the project. He explained that the project is self funded through energy savings. He described the location of the boiler and wood chip bunker and stated that construction should start in approximately two weeks. Mr. Dickinson inquired if any part of this project was included in the budget. Mr. Burnham replied that there is nothing in the budget for this project and that repayment is not scheduled until July, 2011.

Sally Hyland thanked the Pembroke Academy Robotics Team for preparing the handouts identifying what can and can not be recycled. She reminded residents to order their recycling/trash carts.

There being no further public comments, Mark closed the public hearing at 11:07 AM.