

**BUDGET COMMITTEE MINUTES
TOWN OF PEMBROKE
THURSDAY, SEPTEMBER 17, 2009**

Members Present: Mark LePage; Gerry Fleury; Michael Connor; Bruce Kurinskas; Stacey Sheldon; Ray Foss; Brian Seaworth; Tom Serafin, School Board Rep.; Tina Courtemanche, Selectman Rep.; Dave Sheldon, Alt. Selectman Rep.

Others Present: Tom Petit, Town and School District Moderator. School Department: Peter Warburton, Superintendent of Schools, Jonathan Burnham, Maintenance Director; Clint Hanson, School Board Chair. Honeywell: Bob Marcotte; Jim Lucey

Documents Distributed: Draft 2009 Budget Committee Schedule; Phase II Honeywell Proposal Overview

The meeting began at 7:00 PM.

Mark briefly outlined the agenda and purpose of the meeting and introductions of all attendees were made.

Scheduled Meeting with School District

Members from the School District and Honeywell were present to discuss Phase II of the Honeywell Project and the Special School District Meeting.

Peter Warburton stated that SAU #53 has received notification that the school district has been awarded a Qualified School Construction Bond (QSCB) of \$2,623,210 for a low to 0% interest loan. The QSCB program is part of the American Recovery and Reinvestment Act. The award of this financing provides an opportunity to consider a Phase II Honeywell project that will reduce energy costs further and help the District address additional capital needs with no upfront or additional costs to taxpayers. A special school district meeting has been posted for September 30, 2009 at 6:30 PM at Pembroke Academy Auditorium. Mr. Warburton indicated that a recommendation from the budget committee to move forward with the project would be helpful.

Mr. Burnham gave a brief overview of Phase I of the Honeywell Project which is a lease purchase of approximately 2.4 million dollars and is on schedule for cost savings. Phase I of the Honeywell project is designed to pay for itself through savings and state building aid and included major window replacements at Village School and Pembroke Academy, roof insulation, temperature controls upgrades, conversion from oil to natural gas, new boilers, and other upgrades. Energy savings to date for Phase I are exceeding the annual savings guaranteed by Honeywell.

Phase II is also a lease purchase with guaranteed savings. The centerpiece of Phase II is a central biomass (wood) heating plant. The plant will be located on one side of Pembroke Academy and will carry 80% of the load with the remaining 20% carried by the existing boilers. Similarly, there will be a high temperature piping system run from Pembroke Academy to Three Rivers School to provide heat. Phase II will also include window replacements at Hill School and temperature controls upgrades at all Pembroke schools.

Mr. Burnham explained that the District did not move forward with Phase II last year due to the tax burden that would have been incurred in the form of interest.

The QSCB removes this issue by providing low to 0% interest on 2.6 million dollars of the 3.6 million dollar estimated cost of the project. The funds to complete the project will be at an interest rate not to exceed 6%. It is anticipated that state building aid and other grants will be awarded

Some of the logistics and rules of the Special School District Meeting were briefly reviewed including; short notice is allowed as well as only one item on the agenda, the vote must be a super majority (2/3rds), no amendments will be allowed, and the polls must stay open for at least one hour after adjournment of the meeting. There was discussion regarding how the meeting will be announced in such a short period of time as well as the timing for the Supervisor of the Checklist (Tom Petit to follow up).

There was a brief question and answer period regarding the wood burning plant.

A motion to recommend Phase II of the Honeywell project was made by Mike, seconded by Ray, and passed by unanimous vote.

Election of Officers

The committee voted unanimously to appoint Mark Lepage as Chair and Gerry Fleury as Vice Chair.

Any recommendations for appointments to the Budget Committee should be forwarded to Tom Petit.

Review Budget Schedule

The committee reviewed the 2009/2010 schedule and agreed on meeting dates (see attached). Tina will follow up with Dave Jodoin, Town Administrator, regarding e-mailing the summary of the town's budget by November 16th and have available the full detail by their first meeting on November 19th.

Other

Tom Serafin reported that the school department is entering into negotiations (three-year contracts) and hope to be completed by the end of October. Additionally, the school department is requesting to present their budget to the committee and at town meeting with a power point presentation. He stated that the committee is welcome to request items to be included.

Adjournment

A motion to adjourn the meeting at 8:25 PM was made, seconded and passed by unanimous vote.

The next meeting is scheduled for Thursday, October 8, 2008 at 7:00 PM; CIP review.