

Budget Committee

November 2, 2017

Roll Call:

Ann Bond
Clint Hanson
David Doherty-School Board Representative
Mark LePage-Chairperson
Gerry Fleury-Vice Chairperson
Brian Seaworth
Karen Yeaton
Marie Chouinard
Mike Connor
Peter Gagy
Tina Courtemanche-Selectman Representative
Dan Driscoll-School Board Chairperson
Patty Sherman-Superintendent
Amber Wheeler-Business Administrator

Call to Order: 630pm

Minutes:

Motion to except the minutes from 10/5/2017 made by Gerry Fleury. Motion seconded by Mike Connor.
Motion passed 9-0-2 (abstained-Tina Courtemanche and Karen Yeaton)

School Budget Shortfall:

Marc Lepage Chairman of the Budget Committee explained to all present that the purpose of the meeting tonight was to gain understanding of the current School Revenue Shortfall. With that said the Tax Rate has been set and bills will go out within the next two weeks. Gerry Fleury was introduced who gave a basic overview of the tax setting process. Within this conversation it was stated that the taxes would be set at \$29.76/thousand.

Amber Wheeler Business Administrator for the SAU was present to discuss the how the revenue shortfall came about. Ms. Wheeler explained that a majority of the shortfall was derived from the revenue from state funding and a decrease in enrollment from sending schools to Pembroke Academy.

Attached you will find a spreadsheet that was distributed but Ms. Wheeler explaining the 2017/2018 estimated revenues and where the shortfalls are projected to be. Per the attached spreadsheet the majority of the shortfall lies in Tuition revenue from sending towns.

Gerry Fleury requested to know if the operations at Pembroke Academy were of a fixed cost and as a per student basis. At what point does this get changed and increase tuition? Gerry Fleury then stated he did not expect an immediate answer however he would be looking for this as the budget process progressed. Mr. Fleury then asked if the Revenue versus Services provided to the students were being

reported the School Board Monthly? And in addition are the expenditures decreasing as there are less students? There was not answer given to these questions.

Brian Seaworth asked if the shortfall is only for those students in sending towns. Is the enrollment for Pembroke decreasing as well? Ms. Wheeler stated she did not have the answer as she did not bring the enrollment spreadsheets.

Clint Hanson stated this is not a new issue for the Town of Pembroke as this has occurred to some degree in the past. Previously the school has placed a certain amount of money in reserve to assist in offsetting this issue from occurring. His question is how does the school come up with the estimated on tuition?

Marie Chouinard requested to know how we project the amount of students that are attending each year. Is this number decreasing consistently? Ms. Wheeler stated she would be able to produce a spreadsheet showing enrollment trends.

Karen Yeaton requested to know what we can do to make sure this does not happen in the future if all of the numbers are estimations. Why is there not of an accurate prediction? Can you guarantee this will not happen again? Ms. Wheeler stated that she would not be able to guarantee this will not happen again. Karen Yeaton stated "Then it's time for a change in leadership".

Ann Bond requested to know how many students we lost in 2016-2017 school year. Ms. Wheeler stated there was decrease by 34 students.

Brian Seaworth questioned if the board was able to see the trends in decreased enrollment as school started? Why are we just finding out a few days before the tax bills are sent? Ms. Wheeler stated that the trends were seen and relayed to the proper people.

Dan Driscoll stated that the board received updates regularly and that they found out two weeks ago about the shortfall.

Dave Doherty stated as the School Board Representative that the School Board has full confidence in the SAU and in Amber Wheeler.

It was at this point that the Budget Committee opened up the floor for comments from the public.

Public Comments:

1. Chief Smith 25 Sherwood Meadows:

Mr. Smith asked the board to take a step back and not to leave the patrons of Pembroke in a lurch. There a lot of people in the town now put in a tough spot. How soon will it be before the residents know some answers?

Chairman Marc Lepage stated the Budget Committee will work through the Budget Process as stated earlier. Tina Courtemanche states that all meetings are open to the public (School Board, Budget and Selectman)

2. Bob Hope Sherwood Meadows:

Is there any way to cut expenses for the remainder of the year? Is there a mechanism to do so?

3. Doug Johnston 437 Cross Country Rd

Money is tough, people are on a fixed income. Is there a procedure in cutting the expenses? Is this tax rate permanent or can it be decreased in the future?

4. Deb Frances

Why was there a lack of transparency? Why weren't the tax payers made aware sooner?

5. Martha Doherty Pembroke St

It's time to attract kids to come to Pembroke Academy again!

6. William Allaire 817 Batcheldor Rd

Is it time to increase the money we receive from surrounding towns?

7. Mark Hopkins Borough Rd

What happened with situations that occurred in the past like this?

Gerry Fleury explained from the best of his recollection the town did not have enough to operate. Therefore at the time of the next budget year there was a warrant article to pay all of the past due bills and then worked on the budget.

8. Kathy Cruson Pembroke Hill Rd

A lot of frustration has been towards Amber the Business Administrator. However she has someone she reports to therefore she would not be the person to report this to the town/school board or tax payers.

9. Dan Creen Eastview Dr.

When is this information available to the town? What can we do about the problems that we have now? Can we work with the state more? Is there a system of checks and balances? Is there a process for tuition students and/or a contract?

Suggestion: Move the school district meeting until later in the year, Create a single district SAU to allow for more authority over the budget.

10. Lisa Rochford 722 Batcheldor Rd

What was the impact on the commercial side? Were the residents the only ones hit?

Gerry Fleury stated there was an increase to all of the commercial properties as well. They pay the same tax rate as the residents however their assessed values are much larger.

11. Debra Ackerman

What was the actual number of the shortfall?

\$977,000 as presented per Amber Wheeler

12. Matt Fish Academy Rd

We need more transparency! This will have a ripple effect causing businesses and residents to leave if the cost is too high.

13. Jean Gas 4th Range Rd

Why is the budget based on estimates? Is a part of the shortfall being passed on to area towns or is Pembroke shouldering the burden of the cost?

Clint Hanson stated the shortfall was due to fewer students therefore Pembroke would be shouldering the burden.

14. Mitchell Harrington 4th Range Rd

States the perfect storm occurred. Does the AREA have an expiration? Is there plan for a review of this?

15. Steve Nadeau Noise St.

Everyone at the front has papers to look at as things are reviewed can we request in the future handouts or an overhead.

16. Sally Highland Batcheldor Rd.

Kids and Parents have more choice for schooling. Is this a new trend?

17. Kevin Foss 341 Buck St

Charter/Vlacs/Pace this is an assault on Public Education however they are not going anywhere. Is there a way to factor in data from the alternate programs enrollment?

18. Joe Crowley Thompson Rd

Budget for the Town is January 1-December 31 however the school is July 1-June 30th. There is still time to make cuts just because the school is appropriated the money does not mean they have to spend it.

19. Rose Marie Michaud Beacon Hill Rd

What is the school looking at to cut from the budget? Change classroom sizes? Reduce Teachers?

20. Jillian 206 Buck St

When was the problem identified?

21. Arthur Champagne 228 Pembroke St

Cut the budgets

22. John Mell 435 Micol Rd

Concerned that making all of these cuts will push students into something negative in the community. Please keep the students in mind.

23. Ann Bond Micol Rd

What happens if a resident can't pay? Does the town have to borrow money? Ask the principals about the enrollment numbers vs estimating may be more accurate.

24. Amber Cambridge Cross Road

Surprised this has not happened more as based on estimates

25. Karen Deselits 206 Meadowlark Lane

Feels there would be decreased frustration if actual numbers were given. Amber had a responsibility to make know. Where there signs there was a problem?

26. Sharon Caldwell 441 Buck St

Maybe monthly reporting may be necessary, Hold the school more accountable.

27. Jean Gaskell 4th Range Rd.

There are more people present tonight than there normally are for the Town and School Meetings

28. Dan Creen

Came tonight with hopes to know what and how things happened. Didn't hear what happened, why or when.

29. Dan Mafuchi Kearsage Dr

There is plenty of time to put a good faith effort into saving money. Is there a process for this?

30. Mike Caraway Dudley Hill Rd

Is it possible to borrow money for a term and then collect for the shortfall vs raising the taxes?

Gerry Fleury stated that the Tax Rate is set. However the other three towns have no choice per the agreement but to send the students to Pembroke Academy.

Clint Hanson-If this could be done legally maybe we should look into it.

Mark Lepage Budget Chairman would like to thank everyone for their time and attendance.

Motion to adjourn made by Clint Hanson. Motion seconded by Brain Seaworth. Motion passed

Adjourn 855pm