

BUDGET COMMITTEE MINUTES
TOWN OF PEMBROKE
THURSDAY, February 4, 2016

Members Present: Mark LePage, Chair; Gerry Fleury, Vice Chair; Michael Connor; Brian Seaworth; Marie Chouinard; Clint Hanson; Tina Courtemanche, Selectmen Rep. Patricia Boucher, School Board Rep.; David Doherty, Alt. School Board Rep., Daniel Crean, Karen Dowling

Members Absent: Sandy Goulet

Mark called the meeting to order at 6:30 PM.

Approval of Minutes

A motion to approve the minutes of January 21st was made by Dan and seconded by Mike motion passed with Karen abstaining.

A motion to approve the minutes of January 28th was made by Gerry and seconded by Dan motion passed with Karen abstaining.

New business

Mark LePage stated that he was contacted today by the Town Administrator who wanted to discuss some items. He noted that new information from the school was distributed about an hour ago.

David Jodoin explained that the Board met and reviewed the requests for deposits to the Capital reserve Funds and decided to make the cuts to agree with the budget committee so the request will now total \$321,500.

The article for the bridge has been removed and the Board will be using the funds allocated for paving. As was mentioned at the last meeting, the Selectmen encumbered monies into 2016 to handle paving projects.

D. Jodoin explained that with the cuts made the Town portion of the budget will be increasing 4 cents per thousand.

D. Jodoin asked the Board to re-consider their decision not to approve the Tasers and the recreation mulch. He explained that the Tasers would come out of capital reserve fund and since no money was being put into that fund, there would be no tax impact. He stated that he was concerned that without the Tasers, the officers would be put in a serious situation and probably become more hands on with the Billy club which could be used against the officer. He further explained that the Selectmen are supportive of this and are ready to battle it out on the floor at Town meeting.

The other item that the Board discussed was the recreation area mulch, which they too are in favor of.

Dan Crean inquired as to the balance in the capital reserve funds.

Mike Connor asked if a motion needed to be made to discuss these items. It was confirmed that a motion was in order.

Marie Chouinard motioned to reconsider article #5 (Tasers) seconded by Mike.

Gerry commented that he understood what the rationale is but he wondered if there wasn't a psychological issue to that because if someone tased me I would hate that officer and department for life and I would do anything quietly to cause them trouble.

Dan commented that he appreciated the sentiment brought forward by the Police chief and Selectmen, but he has seen on the legal list serve that there are a number of legal cases out there resulting from the use of Tasers. It's a technology that could be good or bad. He stated that he hoped the Chief has set up some rigid policies of how they are to be used.

Karen Dowling asked how many Tasers we were looking to purchase. Tina Courtemanche answered 12. Karen also asked how they are handled. It was explained that they do not go home with the officer. She was concerned about the potential liability issues, but also stated that we needed to trust the Chief.

Brian Seaworth commented that there are very strict lines as to when a firearm should be used and he hoped that the officers were aware of when to use certain force and when not to.

Dan agreed with Brian but stated one of the issues that we are facing is that we do not know the condition of the person who may be tased, and if they have a health issue you may be held liable.

Gerry mentioned that we already have Tasers in Town, these will be replacements because the dependability and usefulness of the ones we currently have are questionable.

Motion passed 8-1.

Mike made a motion to reconsider article 9 for the recreation department, seconded by Gerry.

Dan asked how big the area was.

Gerry informed the Board that based on his recollection from CIP, they were going to take out the fine sand that was around the swing areas and replace it with this type of specialized mulch. He was unsure of the exact size and area.

Pat Boucher asked if the insurance company weighed in on the school also. Clint responded that they have a different insurance carrier than the Town.

Karen inquired if this was a requirement or a recommendation. Gerry responded that it was his understanding that it was a request. The question of whether there would be liability issues not covered if the Town chose not to follow Primex's suggestions came up.

Motion passed 5-4.

Mark asked for clarification to determine the most recent and correct tax impact sheet.

Gerry stated that he has one from Amber Wheeler dated 2/1/16 that shows a tax impact of 6.4%.

Mark explained that he received updated information from the School, with the MS form emailed to Gerry and him at about 5PM tonight, and that he would email it to all after tonight's meeting.

Mark asked Pat if she had anything that she wished to discuss. Pat explained that the \$100,000 warrant article was removed and there has not been another School Board meeting to discuss the matter. There was a great deal of discussion on the Honeywell project but the Board members were still confused.

Gerry commented that the CMA proposal had an item in it that was very controversial over the adequacy of the electrical panels at PA and what had to be done. Honeywell came back with details that they were going to disassemble and clean those panels and that as going to be combined into the next phase of Honeywell and funded that way. That was the basis for the \$100,000 reduction.

Dan questioned if that came out as an expenditure why would it affect revenues? Clint Hanson explained that it was because the money was to be funded from surplus. Dan continued to question the numbers.

Brian commented that by the logic being explained, if we wanted to cut our tax rate on the school we could vote for half a million dollars to be funded from surplus for every line. Brian went on to say that the line is misleading to say that this doesn't affect the tax rate.

Gerry explained that all of the school district's capital reserve funds affect the tax rate because if they all failed that money would go to offset the tax rate when DRA sets the rate.

Brian stated that the argument has always been that these are neutral in the near term because that comes at the end of the cycle to the extent that there is surplus it's funded in the order that they are presented.

Gerry explained that the assumption that we are going to spend all of a twenty six million dollar budget is unlikely. So to say that \$100,000 of that \$26 million doesn't get spent you've already appropriated the \$26 million and when they go to set the tax rate you only have to account for the difference between what was appropriated and what was spent. However those capital reserves don't reduce the tax rate they get paid out in cash into the trust fund to be drawn in a subsequent period.

Dan reiterated that if the funds did not go to surplus that they could be used to offset the tax rate.

There was a general sense of confusion whether the \$100,000 was removed from the budget.

Mark asked if we had received a revised School warrant and Gerry stated no. And absent the warrant the assumption would be that what we have is a warrant article where the school board recommends and the budget committee does not.

Dan commented that he is really concerned as to what this will look like this Saturday and Mark agreed. Dan stated that he had been to a number of Town Meetings over the years and the people listen to the budget committee's explanations and is unclear about what is happening with the school budget.

Pat commented that Saturday is the day when people are supposed to answer questions. Dan interjected noting that Saturday is the public hearing when we are supposed to be able to advise people about what is going on and we are not able to do that because we don't have clear information.

Dan went on to state that he has been at this position now for a number of years and knows the school board is on a different calendar year but at the same time we are unable to work in a timely manner, with this year being particularly bad. Dan suggested that we should seriously think about having the Town go to the optional fiscal year and move the Town meeting to May. The budget process is going to get more complicated and it's going to be more and more difficult with state revenue projections and all else. The current process is broken.

Pat commented that the School Board has done everything that they were asked. Personnel have been cut, there is a single business administrator who is brand new and deals with five different budgets, all due at the same time.

Clint stated that one complicating matter with changing the budget cycle is that you have teacher contracts that need to go out.

Gerry informed the members that a change in fiscal year has been discussed and studied before by a special committee. Going to a May cycle requires paying a year and a half in property taxes or else you have to bond a half a years' worth of revenue, which led to a quick end to the study.

Clint commented that he knows that Amber Wheeler is new but she should not be making any changes to the budgets until after the public hearing because it is confusing people.

Mark agreed with Dan and commented that as the person who needs to get up in front of the people he is unsure what to say. Having been unable to begin preparing for Saturday's hearing due to a power outage Wednesday evening there is now little time left, so the alternative is to turn to the school board to present their budget on Saturday. He further noted that Patty Sherman and Amber Wheeler will be at Deerfield. It was also noted that SAU staff is always at Deerfield rather than in Pembroke during public hearings.

Pat started to say that if they could have additional personnel at the SAU they could be better prepared. Dan interjected that there is no need for additional personnel, recalling an example related to payroll processing, where personnel or costs could be reduced. Dan further noted that with the number of administrators in the school system there should be sufficient ability to fully explain the budget.

Pat explained that Karen Guercia would be at Saturday's public hearing. Gerry noted that while it is not a new issue needing to have SAU staff on budget days in a couple of different places, in the past they were all well versed enough that you wouldn't have them all in one particular Town. His recollection of the last couple of years was that SAU staff were unfamiliar with the budget and were often unable to answer questions. He then echoed the concern of Pembroke ending up with the short straw on SAU personnel attending our hearings and our meetings.

Pat explained that all of the SAU staff will be there at the school district meeting. The only conflict we seem to have is with public hearing as that conflicts with Deerfield's deliberative session, and it's not apparent how that could be resolved.

Mark reiterated that he would be turning to the School to present their budget and the warrant at the public hearing.

Karen asked how often the school board meets and if it was possible that they meet more often during this process. This may allow for better communication. She stated that she is totally opposed to additional personnel and there are issues in management and costs that need to be addressed.

Tina commented that during budget season the board of selectmen meet on off nights to go over items. Pat interjected that the School Board does have special meetings. Tina replied that situations like these should be addressed through a special meeting.

Pat responded that the school has done the best that they can with the changes that they have had, including tremendous turnover in administration at both the building level and the SAU level. It has been a trying year. Obviously folks probably have not performed at the level that the budget committee would want but they have done the best they can and will be ready to present on Saturday. The full compliment of people will be available for district meeting in March.

Clint commented that he felt that the board was getting ahead of itself. The vote taken at last meeting was a preliminary vote. The fundamental error appears to be that adjustments were made assuming that it was a final vote. The school board doesn't have to meet until the budget committee makes its final determination and they don't have to have to go along with what this budget committee recommends. So essentially what you have now is the warrant and no action by the school board is mandated until we take final action, possibly following the

public hearing. Then the school board meets and decides on any changes, and proceeds to district meeting. That decision is after we take a final vote as a committee and that hasn't happened yet.

Dan stated that he wouldn't argue with Clint but in past years we have been able as a committee to take a vote, it is not a final vote until after the budget hearing. But we have been able to make a recommendation to the voters that is based on the information that is timely and properly given to us. We can't do that this year.

Gerry went over his calculations regarding the \$100,000.

Mike explained his calculations when reviewing the tax impact sheet.

Mark commented that given the assumed error he would not send out the information received today, and that corrected school information was needed by Friday to be able to prepare for Saturday's hearing.

Dan moved to adjourn seconded by Brian.

Mark recognized Tina. Tina commented that she has two questions for the school. What is the percentage increase in your budget that is contractual? And on the Honeywell project do you know what percentage of energy we have saved, because that was the whole basis of doing the project in the first place.

Mike explained that you don't see the savings they are handled through cost avoidance.

The meeting adjourned at 7:30 PM.