

**BUDGET COMMITTEE  
TOWN OF PEMBROKE, NH  
February 7, 2019 at 6:30 PM  
PUBLIC HEARING**

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Karen Yeaton, Chairman, called the meeting to order at 7:00 pm

**I. Attendance:**

Present:

Representing the Municipal Budget Committee: Michael Connor, Gerry Fleury, Karen Yeaton, Tina Courtemanche, Marie Chouinard, Brian Seaworth, Daniel Crean, Armand Soucy, Ann Bond, and Connie Soucy

Representing the School Board: Tom Serafin, David Doherty Dan Driscoll, Patty Sherman, Amber Wheeler, Gene Gauss, and Pat Boucher.

Staff: Recording Secretary Jillian McNeil, Town Administrator David Jodoin

**II. Public Hearing:**

Karen Yeaton reviewed the handouts provided to the attendees. The MS-737, 2019 town meeting warrants, 2019 tax impact sheet, and the school district packet containing the warrant articles and the MS-27.

Karen Yeaton reviewed the municipal column on the 2019 tax rate impact sheet. At the top of the page are the total property valuations estimated for 2019. This is based on current information and does not take into consideration any revaluation that will happen this year. The items highlighted in red are the 2018 revenue and appropriations approved at the 2018 Town Meeting and School District Meeting or by DRA. The green lines are the 2019 proposed Town and School revenues and appropriations recommended by the Selectmen and the School Board. The bolded black lines are the 2019 Municipal Budget Committees recommendations. The Town appropriations total \$9,953,025, the approximate revenues \$5,470,014, leaving the net amount to be raised by taxes as \$4,483,011. The difference of \$4,483,011 divided by the 2019 valuation and then divided by 1,000, leaves a final tax rate for the town as \$6.75. This model can be followed for the school district and the county portions of the sheet. Added together, the total tax rate per thousand is \$29.22 which is an increase of 11.4% over 2018.

Public Hearing open at 7:16pm

David Jodoin, Town Administrator, presented the Town's 2019 warrant articles.

David stated that if all revenues come in as projected, there will be no change in the town's portion of the tax rate.

There was not much changes within the town's budget from last year. Last year it was pointed out to the Selectmen about the pay inequities within the Police Department. The Selectman did a pay study with Municipal Resources Inc. to look at all town positions and their benefits. The study came back that the insurance plan that the Town had was a very rich plan. The Selectman looked into alternatives and made changes. The Union employees chose not to make any changes health insurance plans so they are not included in the pay study and will not see a change in their pay scales. All employees will receive the standard cost of living adjustment of 2%. There was around \$32,000 in savings by changing health plans. There were also savings in legal lines, electricity, and ambulance. Those savings allowed the town to absorb the cost of the pay increases. All town budget forms are available online at the town's website. There are increases to the Fire Department's budget to prepare for a full-time fire fighter. They have to budget for a family health insurance plan.

- Article 3: Will require a 2/3 vote to change the purpose of the existing Bridge Repair and Replacement Capital Reserve Fund to Roadway and Infrastructure Capital Reserve Fund. This will allow the capital reserve to be used to culverts and other roadway infrastructure needs.
- Article 4: To see if the Town will vote to adopt an ordinance waiving the fee to be charged for a permit to register one motor vehicle owned by a person who was captured and incarcerated for 30 days or more while serving in a qualifying war or armed conflict as defined in RSA 72:28V, who was honorable discharged.
- Article 5: \$462,500 to be deposited into various Capital Reserve Funds. These deposits are developed in the town's Capital Improvement Plan and allows the town to save for large scale future purchases and keep the tax rate consistent.
- Article 6: \$176,000 for the purchase of a dump truck for Department of Public Works.
- Article 7: \$748,414 for the purchase of a fire truck.
- Article 8: \$56,000 for a new police cruiser.
- Article 9: \$7,0124 to replace a compressor at the Department of Public Works.
- Article 10: The Town currently has a 99-year lease agreement for the clock and clock tower located at 116-122 Main Street in the village. This article is asking if residents would like to continue owning and maintaining the clock.
- Article 11: If article 10 passes, this article is for \$34,420 in order to repair the clock and clock tower at 116-122 Main Street.
- Article 12: This article is asking if the residents would like to continue owning and maintain the properties at 4 Union Street (Perry Eaton Building) and 6 Union Street.
- Article 13: If article 12 passes, this article is for \$150,000 for repairs to the rear wall located at 4 Union Street. This number will need to be amended at Town meeting to the more current figure of closer to \$200,000.

- Article 14: This article gives authorization to the Selectmen to select and pay for Capital Reserve Fund Investment Management Services.
- Article 15: Total budget of \$8,318,667 not including appropriations by special warrant articles and other appropriations voted separately.

Pat Boucher, resident North Pembroke Road, had a question regarding warrant article 3; Will changing the purpose impact the town's ability to repair the bridge on North Pembroke Road in a timely manner. David answered no, the State of New Hampshire and the City of Concord have taken over the project. The City of Concord will be the Manager of the project. There are some environmental and archeological issues with the project they are working through. The bridge is looking to be done in the winter of 2019-2020. This warrant article is to allow the capital reserve to be used for items such as culverts and catch basins. The town has encumbered enough funds over the last few years to pay for the Town's portion of the North Pembroke Road Bridge repairs.

Tom Serafin presented for the School District.

- Article 3: \$75,000 for the purpose of floor replacement and security cameras at Pembroke Hill School and Three Rivers School, and painting at Pembroke Academy with funds to be removed from the School Building Capital Reserve Fund.
- Article 4: \$31,000 to be added to the school building capital reserve fund to be funded from the unassigned fund balance.
- Article 5: \$10,000 to be added to the Technology Expendable Trust Fund to be funded from the unassigned fund balance
- Article 6: \$70,000 to be added to the Technology Expendable Trust Fund to be funded from the unassigned fund balance.
- Article 7: To vote to authorize the School Board to convey the district-owned property known as Village School, located at 30 High Street, through the use of the open bidding process and on such terms and conditions as deemed in the public interest by the School Board.
- Article 2: Total budget of \$25,505,59. School Board recommends \$25,717,590 by vote of 4-0. Municipal Budget Committee Budget Committee recommends \$25,505,590 by vote of 8-2.

Tom stated that the Municipal Budget Committee's recommended amount would result in a 15.4% increase in taxes. There was a large increase in 2017 due to overestimated revenues at Pembroke Academy, voted on increase at town and school meetings, reassessments that only impacted residential properties. A budget freeze was put into place in order to return \$1.3million dollars to the town for property tax relief in 2018. This created a temporary depression of the tax rate in 2018. While 15.4% seems like a large increase in one year, it does bring the appropriations back to the same levels seen in years prior to 2016. There are some increase driving factors the school has little to no control over such as teacher contracts and special education costs. The Village School would have cost close to \$4million dollars to bring up to

code. The closing the Village School will save the school district over \$300,000 a year. This will lead to seven cuts in personnel that will yield additional savings.

Kevin Foss, Buck Street, asked if the Municipal Budget Committee's (MBC) recommended reductions become reality, what are the actual impacts. Tom stated that the School Board hasn't fully discussed where those cuts would come from. Karen Yeaton stated that the MBC proposed cuts to 15 areas of the school budget such as periodicals, new furnishings, School Board costs, Administration costs, field trips, and others. These lines had \$454,000 in increases and the MBC proposed a reduction of \$200,000 to the increases. Tom stated that the increases were due to the budget freeze. The largest increase was in the technology lines.

Ry Weisiger 215 Brickett Hill Road, what are the enrollment projects and the long-term solutions to the modular at Hill School. Tom stated that the modular is a short-term solution. There will be further committees to discuss and assess the next step which will likely be a modest addition.

Ann Bond, 433 Micol Road, would residents be able to see the budget lines effected by the frozen lines. Patty Sherman stated that it was published last year and posted online. It can be resurrected if needed.

Matt Peterson, 48 Bow Lane, requested clarifications that the modular classrooms will not be used as regular classrooms and are for the part time pre-school students. Josh Coughlin, Facilities Manager, stated the TLC and pre-K programs will be in the modular and not the K-4 classes. Matt also requested at this year's deliberative session, that all processes are made clear to the residents to avoid a repeat of last year's confusion.

Scott Bond, 433 Micol Road, Health insurance for non-contracted employees is high. He discussed the costs of health insurance and the number of employees on each plan with both the SAU office and the Town. There is a \$203,000 difference in costs between the town plan and the SAU plan. He would like the MBC to look at an additional reduction in the school's budget of \$203,000. Tom stated that the SAU plan is negotiated in the fall with the SAU board. The SAU board is comprised of members from each town in the district. The Pembroke School District does not have any authority to change anything at the SAU level. They do have a full public process every fall that anyone can attend. Karen requested clarification from Scott on if he is asking for an additional \$203,000 from the MBC's recommend budget value or the School Board's recommended budget value. Scott said he was looking at the school board's recommended budget.

### **III. Adjourn**

Karen Yeaton closed the public hearing at 8:01 pm. Karen stated that after a short recess, the Budget Committee will reconvene for a regular meeting and then the School Board will meet following the Budget Committee.

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Karen Yeaton, Chairman

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