

**BUDGET COMMITTEE  
TOWN OF PEMBROKE, NH  
DECEMBER 19, 2019 at 6:30 PM**

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Karen Yeaton, Chairman, called the meeting to order at 6:30 pm

**I. Attendance:**

Present:

Daniel Crean, Peter Gagy, Michael Connor, Marie Chouinard, Brian Seaworth, Gerry Fleury, Karen Yeaton, Armand Soucy, Sandy Goulet, Paul Hanson, Andy Camidge

Staff: Recording Secretary Jillian McNeil

**II. Approval of Minutes: December 12, 2019:**

Armand Soucy moved to approve the minutes of December 12, 2019 as presented. Marie Chouinard seconded the motion. Motion approved 10-0. Andy Camidge abstained.

**III. 2020 School District Budget Presentation**

Amber Wheeler, Business Administrator SAU 53, and Andy Camidge, Pembroke School Board, presented the 2020 School District budget. Andy Camidge reviewed the slide show presentation that was printed and given to the Budget Committee. After reviewing the Agenda, Andy discussed the School Board's approach to the budget. The School Board feels the responsibility of the Board is to give a budget that provides students with the best education that they are able to. They took a look at previous cuts and looked at how they either hurt or helped the school. The budget has a strong focus on the education of the children while being sensitive to the bottom line. Andy stated that the enrollment numbers change year to year and while in recent years they had been on a downward trend, they appear to be reversing. The Board wants to ensure that Pembroke Academy remains a school of choice. Amber Wheeler stated that the school is finding Hooksett is sending double the number of students than they had been sending in years past and this is a positive change for the District.

Amber reviewed the lines in the 18/19 budget that had a surplus. Those expenditure lines included salaries, supplies & equipment, special education, dues & staff development, school resource officer, utilities, and co-curricular stipends. The revenue lines included tuition, misc. income, and Medicaid. This year, an emergency rule regulation was created where Medicaid is not paying any claims unless they are ordered by a physician. The major issue with this is that it is not often the physician who orders the services, it is the occupational therapist or psychologist. This is a state wide issue and Special Ed Directors throughout the State are fighting it. The

emergency rule will go into effect in February. Going forward, they are not budgeting to receive any Medicaid reimbursements so they do not end up with a shortfall. Amber noted that these surpluses do not add up to what the final year-end surplus number is. These are just highlighted areas of the budget that had a significant increase. Amber also noted that the School District returned \$1,016,738 to offset taxes.

Amber reviewed the tax rate history for the last ten years. This year, the School District has projected a rate of \$15.53 for local school and \$1.88 for state ed.

Amber reviewed the discretionary and non-discretionary lines of the Fund 1 budget. The Fund 1 does not include grants or food service. The discretionary lines total \$11,959,534 and include items that can be changed such as employment positions, supplies, and equipment. The non-discretionary lines total \$14,006,256 and include items such as special education costs, contractual items, and lease/bond payments. Together, those lines bring the total for Fund 1 to \$25,965,790. Amber noted that while fringe benefits are typically considered a discretionary budget item, the School District considers them non-discretionary because they would not simply remove a large sum from the health insurance lines. Lines colored in red throughout the budget are non-discretionary items.

Amber discussed the changes to the 1100 lines - Regular Program Accounts. The increases to these lines include CBA approved increases (which were approved prior to this budget being created), four additional kindergarten aids, one additional regular aid for both PA and TRS (these are positions that were previously cut), an increase in English language required services, an additional copier in the library at TRS, increase to electronic licenses for PA, non-fiction and fiction books for TRS classrooms, choral and band music books at PA, necessary biology and civics text books at PA, replacement equipment that are on a 4-year cycle, and new equipment for the music and STEM programs at PA. The reductions include the majority of supplies and new and replacement furniture. These lines amount to an increase of \$235,686.

Amber discussed the changes to the 1200 line - Special Program Accounts. The increases include prior CBA approved increases, one additional case manager (previously cut), additional aides, contracted services, special placements, and a reduction in supply and equipment expenditures and summer programming. These lines amount to an increase of \$328,376.

Amber discussed the increase to the 1300 lines - Vocational Program Accounts – The increases include vocational tuition and supply and equipment. These lines amount to an increase of \$31,880.

Amber discussed the changes to the 1400 lines - Co-Curricular Accounts. Increases include co-curricular stipends (previously cut) and supplies and equipment. A new contracted service line was created to cover an athletic trainer. The athletic trainer

was previously budgeted under officials. Because that position is contractual, it should be under the 1400 lines. These lines amount to an increase of \$29,885.

Amber discussed the changes to the 2120 lines - Guidance, Assessment, & Health Services Account. This includes prior CBA approved increases, increase in diagnostics and reductions in guidance supplies and testing supplies. These lines amount to an increase of \$32,120.

Amber discussed the changes to the 2200 lines - Curriculum, Instruction, Library Services, and Workshop Accounts. These increases include prior CBA approved increases and increases in library books, and a reduction in supplies. The increased lines were in previous budgets but in the prior year the money was expended out of the trust funds. Therefore, it is not a true increase. These lines amount to an increase \$7,272.

Amber discussed the changes to the 2300 lines - School Board and SAU Services Accounts. These include increases in dues, auditor, and attorney fees and a decrease in district assessment. These lines amount to a decrease of \$8,920.

Amber discussed the changes to the 2400 lines - Administrative Service Account. The increases include admin and staff contracts, assignment stipends to include Special Ed Service Leaders, and supplies these accounts lines have reductions in maintenance contracts and communications. These lines amount to an increase of \$17,077.

Amber discussed the changes to the 2600 lines - Operational and Maintenance Service Accounts. Additional funds were requested for contracted services and heating repairs and there were reductions in utilities and maintenance projects. These lines amount to a decrease of \$17,250.

Amber discussed the changes to the 2700 lines - Transportation Service Account. There was an increase in Regular Ed Transportation which is a five-year contract that increases 4.5% every year. There is also additional funding for field trips and athletics and a reduction in Special Ed transportation. These lines amount to an increase of \$15,280.

Amber discussed the changes to the 2900 lines - Other Support Services Accounts. These increases include health insurance averaging a 4.7-5.9%, a 3.9% dental insurance increase, increase in retirements/separation benefits, and a reduction in life and long-term disability. These lines amount to an increase of \$765,850.

Amber discussed what the District is doing for due diligence regarding health insurance costs. Amber stated that they requested new quotes from the current provider which is School Care and they plan to shop around. They have spoken to other School Districts throughout the state who have HealthTrust as provider and they informed Amber that they received increases of 6-20% while School Care gave them

an increase of 4-6%. Amber will reach out to them for quotes as they are a direct competitor of School Care.

Andy Camidge discussed proposed staff additions. Andy stated that all of these positions were cut from previous budgets. There was a large influx of kindergarten kids which raised the student/teacher ratio to 19/1. The teachers need aides for safety purposes as physical behavioral issues are on the rise and a teacher is unable to remove a student without bringing the entire class with them since students are unable to be left alone in the classroom. They are also requested funds for one TRS special education aide, one aide for in school suspension program that is currently suspended, and a transition lab coordinator.

Andy Camidge discussed the enrollment trends for the last five years. Enrollment is up slightly from this point last year. There are several developments coming into to Town which will likely lead to more kids in the School District.

Andy Camidge discussed the breakdown of the cost per pupil over the last five years. Pembroke's FY 17/18 costs were \$15,495 which are in line with the State average of \$15,865. Exact figures for FY 18/19 are not yet available.

Amber Wheeler reviewed the changes in the revenue. There will be an additional \$823,912 in adequacy aid for FY19/20 and FY20/21. The money that was received last year and will be received this year will go back to the Town to offset taxes. Building aid is totaling \$4,737 and it will increase year over year. There is a reduction in children's nutrition funding on both the state and federal levels. Medicaid lines show a reduction of \$33,719 due to the emergency rule discussed earlier. Should the rule be reversed and Medicaid starts reimbursing again that will be considered unanticipated revenue. Amber stated that in the budget there is an additional \$2,000 for bank interest and an estimated \$64,499 for additional tuition. There is a reduction of \$7,684 in aid service due to reduction in state funding. The approach to tuition revenue was much the same as last year but Amber stated she had more data points that she was able to use due to the creation of a better internal process for tracking students. Amber analyzed 3-year trends in October enrollment numbers. October was chosen because every year that is when the SAU distributes the enrollment counts to the AREA schools so they can begin building their own budgets. Utilizing 92% of actual students, Amber took the average total of PA expenditures to determine cost per student. The estimated revenue for this year is \$15,054,475.

Andy Camidge reviewed the CIP projects that will be put on the warrant for funds to come out of capital reserves. The projects include replacement floorings, ADA upgrades, exterior painting, certify and extend fume hoods, paving, replacement camera and maintenance, mowers, hot water heaters and dishwashers, fire life safety, PA gas fired heating unites, re-design of old main entrance, and a district pick-up truck.

Brian Seaworth shared that he is the Chairman of the Planning Board for Pembroke and they received letter with concerns of growth happening in Town. The Planning Board has the ability to give the developer impact fees if they are able to show what those fees will be used towards. It is legal to put limits on growth but only where there is evidence of the Town hitting capacity and there is a plan for fixing those issues. The letter mentioned that the capacity issue is being felt mainly at the elementary schools. Brian asked if when they look at their concerns, do they have a way of showing what the limit is and/or what the number of students is where they will need to expand a building. Andy stated that the school is looking at the concerns but all they presently are what they are being told by administration and teachers particularly in the kindergarten classes. The state allowance says 25/1 is an ok ratio. They feel having the current 18-20/1 ratio is concerning and that is why the district needs aids even though they aren't at that official state limit. The Board has created a subcommittee to look into a possible addition to the Hill School. They have been interviewing the Facilities Manager, community members, administration, and teachers to determine need. They have not reported back to the Board yet. Brian stated that he would encourage keeping communication with the Town open. Amber stated that building aid is starting to become available again. Amber has to submit requests for funding to the State and then wait and see how much is awarded to Pembroke. Should an expansion be needed, they are looking for other revenue sources other.

Mike Connor stated that out of the total increase being requested, 60% of it is the \$765,850 increase to the 2900 lines - Other Support Service Accounts. Half of that money is in the health insurance 1490-1495 lines. Line 1495 in particular is up roughly 11%. Amber responded that there are plan changes and added positions that carry benefits that effect those lines. It is not directly just the health care increase from one year to the next. Mike stated that line 1548, separation benefit, has a large increase. Amber responded that that line is the medical benefit that encompasses retirees and there were 128 in new retirements. Mike asked if it is a one-time hit or something that will be carried going forward. Amber stated that not every retiree receives the medical benefit and some retirees receive half their salary. The lines will reflect those people who qualify for the medical benefit up until they reach age 65, after that, the medical benefit will drop off. That line will fluctuate year to year depending on the age of the retirees.

Karen Yeaton asked for clarity on some terminology:

Electronic license – Andy answered software licenses.

Dual enrollment credit – Andy stated that upper classmen can take college credit courses at the high school and they have to have the appropriate text books for those classes that are dictated by the college they work with. Andy stated that a student at PA has the potential to take enough dual-credit classes to fulfill requirements for an entire semester at college which could save kids thousands in tuitions costs.

Vocational program – Amber stated that it is a program for students who take courses at Concord High School. Karen asked if it is contracted with Concord High School on a per student basis. Ambers responded that it is on a per student basis and the

school also covers the cost of busing the kids. Gerry Fleury asked if students still come to Pembroke for the horticulture program. Amber stated that it was removed with the budget freeze. Gerry asked if the greenhouses are sitting empty. Dan Driscoll, School Board, answered that it is used for science classes and for a local farmer.

Karen Yeaton stated that the presentation referenced an athletic trainer and asked what that position does and is it a full time. Amber stated that it is not a full-time position. It is someone who the school contracts to attend games in the event of a medical need.

Karen Yeaton asked what the timeline for requesting health care quotes and making a decision is. Amber stated that they received utilization information from School Care last week and the HR coordinator has to go through the information and then contact the other vendors and it will take a couple months to go through the whole process. Gerry Fleury clarified that even if they were received a better rate, they would still need to go through the CBA before making any changes. Amber responded that Gerry is correct. It is not a cut and dry process.

Marie Chouinard asked what a transition lab coordinator is. Andy stated that is a transition class for students transitioning from TRS to PA and from Hill to TRS.

Armand Soucy asked if Hooksett is sending more kids than before, has the process changed for when a town states they are sending a certain number of kids but then less show up. Amber stated that Hooksett sends a guarantee they are coming and typically parents start paying right away because Hooksett does not cover the full tuition. The last few years there has not been fluctuation in their counts. Hooksett students are assessed at the same amount as an AREA agreement student. Karen Yeaton asked for the actual number of Hooksett kids. Amber stated that they have 24 students and in the past, they have sent 12-13 students and that speaks to all the work they have been doing in the community and in the school that Pembroke is becoming a school of choice.

Gerry Fleury asked how homeless transportation works. Amber stated that in a hypothetical situation, if a student moves from Pembroke to Gilford but it is not a home that they will live at for a long time or what would be considered sustainable housing and they chose to keep their student in Pembroke, by law, Pembroke has to transport that student from Gilford to Pembroke. Gerry asked if it is an individual vehicle that transports these students. Amber stated that sometimes they will pay for a family member to transport them and/or a busing company. They will try and get a family member to transport if possible because it is cheaper for the District. Peter Gagyi asked how many students fall into this category. Amber stated that it is a small population but they are not supposed to give that information out because it could potentially identify a child. It is a number that could fluctuate on a daily basis. Sandy Goulet asked if it is below 10. Amber stated that it is but she would like to double check before giving any further information.

Gerry Fleury asked if they are doing field trips, who is paying for them, and how much are families contributing. Sandy Goulet answered that the specific field trips outlined in the presentation are long standing trips for the 6<sup>th</sup> graders to ecology camp in Maine and 8<sup>th</sup> graders to Washington, DC. They are both costly to the parents. Andy stated that they are looking at different travel companies and they start fundraising in 5<sup>th</sup> grade for 6<sup>th</sup> grade and 7<sup>th</sup> grade for 8<sup>th</sup> grade. PALS also contributes to the costs but the costs do continue to rise.

Gerry Fleury referenced the summary of tax rate sheet and at the top right corner of the page there is an increase in the adequate education grants but below in the section for the school that lists revenues which includes grants, there is an overall reduction. What other revenue is down to counteract the increase in grants. Amber stated there isn't but the prior year number takes into consideration money sent back to the town to offset taxes and there was over a million-dollar returned.

Karen Yeaton asked what the values are for the increase in kindergarten students. Andy stated that he isn't sure of the exact figures but they have been told that there is an increase of 4-6 children in each grade level of the elementary school. 94 total kids Karen stated that it was mentioned in the presentation that there was a large increase in Kindergarten students. Andy responded that this year's class was larger than anticipated. Amber stated that the aides they are looking to put into those classrooms were aides that were cut in the budget freeze a few years ago and they are looking to reinstate them. Karen asked if the staff proposals made in the presentation are all full-time with benefits positions. Amber stated that they are. Gerry Fleury added that under NH RSA 100, state certified teachers are included in the NH Retirement System but that does not extend to classroom aides unless the town has voted them in and Pembroke has not done that. Marie Chouinard asked how many kindergarten classes there are. Andy stated that there are four.

Karen Yeaton asked for an overview of the emergency rule. Amber shared that her understanding is that previously, the school would submit claims to get reimbursed for services. Those services are determined by the individuals who work with those students every day. The new regulation states that in order to receive reimbursement for those services, they need to be at the direction of a physician and that is not a common practice anywhere. Amber stated that by law they still have to provide the services but now they will not receive reimbursement. The hope is that the rule gets overturned. In case it doesn't get overturned, they are not budgeting for revenue from Medicaid for these services.

Amber reviewed the structure of the budget booklet with the Board

#### **IV. Other Business**

The next meeting will be held January 2, 2020 to continue reviewing the School District budget.

## **V. Adjourn**

Brian Seaworth made a motion to adjourn at 8:05 PM. Sandy Goulet seconded the motion and it was approved unanimously.

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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.