

**BUDGET COMMITTEE
TOWN OF PEMBROKE, NH
DECEMBER 17, 2020 at 6:30 PM**

Mark LePage, Chairman, called the meeting to order at 6:36 pm.

I. Attendance:

Budget Committee Present:

Michael Connor, Gerry Fleury, Mark LePage, Andy Camidge, David Doherty, Armand Soucy, Clint Hanson, Gene Gauss, Karen Yeaton

Excused: Sandy Goulet Peter Gagyi, Paul Hanson, Brian Seaworth

Staff: David Jodoin, Town Administrator, and Jillian McNeil, Recording Secretary

II. Approval of Minutes: December 10, 2020:

Clint Hanson moved to approve the minutes of December 10, 2020 as amended; Andy Camidge seconded the motion. Motion passed 8-0.

III. 2021 Water Budget

Kevin Brasley, Chair of the Water Commission, presented the 2021 Pembroke Water Commission budget. The budget is comprised by taking the current 10-month budget which is as of October 31st, divide by 10, and multiple it by 12 to get a 4-year projection. Then they increase all line items by 3% and that gives them a starting point. They will then go line by line and item by item to make individual decisions about a further increase or a decrease based on the prior year. A line was added this year for water monitoring. The EPA is mandating testing for PFOA, PFOS, et cetera. Line 705 is deferred compensation and shows an increase. They decided to have an employee sponsored retirement plan and the Water Works is matching 3% of the employee contributions effective April 2020.

Gerry Fleury stated that with such a dry summer, it was surprising that residents never received anything about a drought and wondered if the water supply was adequate. Matt Gagnon, Superintendent Pembroke Water Works, explained levels stayed decent all summer but it was posted for residents to voluntarily conserve water on the town website and outside the safety center. The wells came back even better after all the rain in October.

Mike Connor asked for an update on PFAS and is the mandated testing related to the 106 site near the State Fire Protection and Fire Training Academy. Matt Gagnon answered they have been continuously testing that site since 2016. They are also testing all production wells and recently they have been testing ground water. As of

now, they just received notice that one test well on the Concord side is producing PFAS but they are unsure if it is related to the Fire Academy. They are working with the engineers to find the source. It is in the beginning stages. Mike stated that DES has recently lowered threshold levels. Matt explained they take a quarterly sampling and, on an average, they are under the threshold. One sample came back slightly above the threshold but the averages are below.

Andy Camidge asked why line 806 for training is doubling from \$3,000 to \$6,000. Kevin explained they recently hired two new guys and they need to get them licensed.

IV. 2021 Sewer Budget

Paulette Malo, Office Manager Pembroke Sewer Commission, presented the 2021 Pembroke Water Department budget. The budget was flat and there were not any large changes. They will be looking to hire a full-time staff member. Paulette will be retiring 3 years from April and the new hire will replace her. The bond for Bow Lane will be paid off in 2021 which is 5 years early. They are still working with Allenstown to acquire more flows and there is no new information she can share regarding that.

Gerry Fleury asked where they are with capacity and have there been any new users or requests to expand lines to broaden the service area. Paulette explained that capacity is minimal. They can handle a few single-family homes but that's it. The piece of land across from Kimball's Cavern was purchased for a single-family home rather than the proposed 18 home sub-division. They are still working on the connections for the Pembroke Pines Condos. They still owe one more payment of connection totaling \$95,000. That revenue is what they are using to pay off the bond for Bow Lane early. The major challenge facing the Sewer Department is upcoming sub-divisions. They are looking at 5-6 years before they will possibly have a solution for capacity. Gerry asked if they are detecting any problem areas when they camera the lines. Paulette explained there is a small section of Pembroke Hill that was still clay pipe and they will need to re-line that will likely be done next year. It was a dry year so infiltration was not much of an issue.

Armand Soucy asked if the latest snow storm will affect infiltration. Paulette answered that if the ground is not frozen enough, infiltration will happen because residents have sump pumps attached to the sewer. Sump pumps are the major cause of infiltration.

David Doherty asked if there were still difficulties with collections. Paulette explained late fees tripled over the last few years which affected the revenue for those lines. At the end of the year, all overdue balances are sent to the tax collector. People are paying quicker due to the rise in fees.

V. 2021 Public Works Budget

David Jodoin, Town Administrator, explained that VJ Ranfos is out handling the snow storm so he will not be able to present the 2021 Department of Public Works budget so he will do it. The general government building section up 2.25%. They are currently looking to find a Janitor. Public Works employees are cleaning the buildings and they are doing the best they can but it isn't working. There are some minor changes to lines in the budget, the Town no longer owns the Perry Eaton Building so those lines were reduced. Public Works has a quote to do work on the town clock that is close to \$6,500. The Selectman will discuss this on Monday. Gerry Fleury shared that right now, there is \$2,400 in a capital reserve that can be used for the Town Clock. David explained they are finalizing the camera system that went through CIP last year and the Safety Center roof needs work and the warranty is gone.

David Jodoin discussed the Cemetery portion of the budget. A few years ago, they redid the mowing contract which they are into the second year of. Everything else in the budget is status quo.

David explained the Public Works budget take into consideration that right now they are down three people. There is one person out on medical and two positions are vacant. There will be a union contract on the warrant this year. The negotiations are going slow. Last year, they budgeted for a replacement for Jim Boisvert and the time to train them but VJ stepped into the role and is lower on the salary scale than Jim was so there is a \$45,000 decrease in those lines. Health insurance lines went up across all Town Departments. There were some changes from single to family plans and they need to budget for a family plan for the new hires. Retirement is going up for group 1 and group 2 employees. They are working to get the current employees to do more training. An RFQ for the storm water permitting process went out. They did not receive bids from the companies they thought they would. It will likely be very expensive. They increased salt and sand because the cost of the salt and sand have gone up. There was a spending freeze in place but over the next few weeks departments will start spending on what they need and encumbering funds. There is money set aside for the North Pembroke Road Bridge which is looking at a new start date of April 2021.

Gerry Fleury asked if the increase in postage was taking into consideration for all the budgets. David stated he just received the notice yesterday but he is not too concerned with the impact it will have.

David Jodoin explained they have set aside money for engineering for the storm water permitting process. They are working with KV partners and will try to encumber all the funds they can with contracts.

David Jodoin shared the Solid Waste Advisory Committee is meeting once a month to look at Town Ordinances and work on the new contract for 2022. The Town is in dire need of a new trash truck which will cost \$320,000. The money needs to be put into the capital reserve to purchase it. The Town is still using the original truck from 2010 and it is in need of major repairs. The Town is still waiting for tipping charges for this year from Casella.

Gerry Fleury asked if they have explored buy/leasing vehicles. David explained it is always an option but they will have to pay interest over 5 years. They may have to look at that if capital reserve deposits start drying up. There is some money in the capital reserve fund for town equipment. It would need to be a warrant article. The 2021 Warrant articles have been drafted and the Selectman will see those Monday night.

Gerry Fleury shared that when funding capital reserves from surplus, they have 10 days from the time of the vote to transfer the money. Would that present problems for them to come up with money with current cash flows? David explained that cash flow wise he will be all set but he is concerned that the article to fund capital reserves will fail at Town Meeting since it is up over \$240,000 from last year. Gerry shared that the balance of the Town Equipment Capital Reserve is \$405,000.

VI. School Update

Andy Camidge, Chair Pembroke School Board, shared the Board met on Tuesday the Administrators and were presented the budget. Minus the \$118,155, which is the requests from the principals that they would like to buy this year, the final appropriation number is \$27,809,379 which is around a 2.05% increase. Warrant articles were re-ordered and re-written. The article for funding the capital reserves totally around \$197,000 is now towards the end. At the next meeting they will discuss if any of the CIP items in the \$197,000 can be done this year. Warrant article 10 is the new paraprofessional union contract. Official Binders are being put together now and will be disbursed. Gene Gauss, Pembroke School Board, stated they are working with the Paraprofessionals on wording of the contract and wage proposals.

Mark LePage asked if the current budget has money for Paraprofessionals. Gene explained the Union and the Board are substantially far apart on the wages. Right now, there is no money for paraprofessionals in the budget. Andy stated the lines have been zeroed out. Gene explained that if the warrant article for the union contract fails, the money will be entered into the appropriate budget lines. [Note: Subsequent to the meeting, Andy informed the committee that he had checked with the SAU and found that allocations for para salaries and benefits based on current year amounts had in fact been included in the budget. The warrant article will be for any amount over and above.]

Karen Yeaton asked the status of revenue and whether it is up or down from last year. Andy answered that overall revenue is projected to be down because there was a temporary bump due to a lawsuit and that money is now gone. It was around \$200,000.

Armand Soucy asked if the budget proposals are based on the assumption that school will be going back full time. Andy stated that everyone is hoping the school year will be back to normal next year but there are no guarantees.

David Jodoin asked Andy if they have talked about the Annual School District Meeting. Andy stated they did not discuss it but the State released some information with guidance and suggestions and he will forward that to the Town.

VII. Other Business

Gerry Fleury explained that there was a non-profit organization that folded and put money into the NH Charitable Foundation. The NHCF gives \$1,500 a year to the School District in a capital reserve that PALS are agents to expend on. The capital reserve now has a balance of \$10,147. If a teacher, or instructor, or any comes up with a unique educational opportunity, they can request to use those funds for it. Andy will bring it to the next school board meeting.

There was a general discussion on how the School meetings would be handled. Mark thought it best that they continue under the same platform and be set up by the Town. David commented that he doesn't mind doing that, but he really doesn't want to sit through a school meeting. He can set it up and let it run but will not monitor. Mark agreed that David should not have to handle this and asked Andy if the school could set up the meetings and then send the information to David so that he can handle the agendas. Andy will check with Patty. The Budget Committee will be reviewing the School District budget on January 7, 2021. The Public Hearing is scheduled for February 4, 2021.

VIII. Adjourn

Clint Hanson made a motion to adjourn at 7:45 PM. Andy Camidge seconded the motion and it was approved unanimously.

Mark LePage, Chairman