

**BUDGET COMMITTEE
TOWN OF PEMBROKE, NH
JANUARY 7, 2021 at 6:30 PM**

Mark LePage, Chairman, called the meeting to order at 6:30 pm.

I. Attendance:

Budget Committee Present:

Andy Camidge, David Doherty, Gerry Fleury, Clint Hanson, Gene Gauss, Paul Hanson, Mark LePage, Ann Bond, Brian Seaworth, Michael Connor, Armand Soucy, Karen Yeaton

Excused: Peter Gagy

Staff: David Jodoin Town Administrator, Jillian McNeil Recording Secretary

II. Approval of Minutes: December 17, 2020:

Andy Camidge moved to approve the minutes of December 17, 2020 as amended; David Doherty seconded the motion. abstained. Motion passed 10-0. Paul abstained Brian Seaworth abstained

III. 2021/2022 School Budget Presentation:

Patty Sherman, Superintendent Pembroke School District, and Amber Wheeler, Business Administrator SAU 53, presented the 2021/2022 School District Budget.

Amber Wheeler discussed the budget line group by line group. In the 1100 lines, there was a reduction to salaries, less funding for substitutes, reduction in consulting services, flat or reduced funding in supplies, reduction in books, new computer and equipment, replacement furniture, technology recycle plan has an increase but follows the tech plan. Paul Hanson asked why the consulting costs show an increase in line 46. Amber explained that lines 54 and 58 are reductions and adding them together with line 46 is an overall reduction.

The 1200 lines are for Special Education and are considered “fixed” costs. The services in these lines are largely mandated by the State and Federal Government and are based on need. These lines show an increase of \$362,362. There is an increase in teacher salaries, reduction in sped aids for hill, an increase in summer programs, increase in contracted services, increase in special placements, increase in travel due to transition program, increase in supplies due to student specific needs, reduction in books, and an increase in new equipment and dues. Gerry asked if the case load is similar to last year. Patty explained there has been an increase in program needs. Consultants had to be brought in to create a new program at the Hill School. Patty

stated they tried to level fund or decrease where they could in this whole budget. The budget was frozen this year with all the unknowns. The assumption and hopes are they will be back to normal next year.

The 1300 lines are for Vocational Programs and show an overall reduction \$16,502. There were contractual increases, replacement supplies increase, but a reduction in returning students.

The 1400 lines are Co-Curriculars and have an overall reduction of \$13,636. There were Contractual increases and reductions in officials and replacement equipment. Gerry Fleury as for any insight into how co-curriculars are operating in this budget. Patty explained that right now, there has been a lot of work between NHIAA and the Athletic Directors around the State to put in safety procedures. Seasons have been delayed and they are being selective with teams they play. They are trying to keep programs going and trying to live stream the games. There is a PA Athletics YouTube Channel. There will likely be savings realized from this year and hope to resume as normal next year

The 2100 lines are Assessment Testing, Health Services, and Curriculum and show an overall reduction of \$10,403. There are contractual increases, reduction summer hours, dues, diagnostic services, and a change of personnel.

The 2200 lines are for Library Services Support Staff, Educational Media, and Staff Workshops. These lines show an increase of \$36,541. There was an increase in library staff at Hill School, contractual increases, increase in library books due to using a grant last year, and software cost increases.

The 2300 lines are related to School Board expenses and show an increase of \$22,806. There was an increase for the Board Secretary, reduction in recording sound and audio, increase in dues, reduction in Treasurer supplies, increases in attorney fees, and an increase in auditor fees. The District Assessment Valuation showed an increase of \$57,000 and the per pupil costs have risen from \$1,413 to \$1,428. District Assessments percentage is 38.9% resulting in a 2.71% increase in budget over last year.

The 2400 lines are for Administrative Contracts, Secretaries and Principals offices Expenses and show an increase of \$7,824. There was an increase in contractual, increases to funding PYAL and a math tutor, reduction in secretarial salaries, increase in stipends, increase in maintenance, reduction in communications, reduction computer software and graduation. Karen Yeaton asked why there was an increase in stipends. Patty explained stipends are for the sub coordinator, emergency team coordinator, 6th and 8th grade field trips, Panther Prep Day, Fitness Center Supervisor, Friday Detention Supervisor, Graduation Coordinator, Office Detention Coordinator. The Math Tutor alone was an increase of \$3,000.

The 2600 lines cover operations and facilities. There was an overall reduction of \$27,171. There were Contractual increases, reduction in water and sewer, increase in disposal and telephone services, custodial supplies increase, a reduction in electricity, reduction in liability insurance and maintenance projects. Increase in heat and plumbing repairs and an increase in contracted services.

The 2700 lines are for transportation and show an increase of \$58,256. There was an annual contract increase for busing and the School is in the 5th year of 5-year contract. The District will be going out to bid for a new contract for 22/23. There was an increase in special ed transportation due to student specific needs. Gerry Fleury asked if there is still a monopoly will school bus contract. Amber discussed using a different approach when going out to bid. Typically, she groups all districts together and this year she is going to try and do the districts individually allowing smaller companies the ability to bid and hopefully drive some competition. Finding and retaining bus drivers is a challenge state wide and Pembroke is no different. The pandemic has made this more challenging. Armand asked if there are issues with being unable fill a whole bus due to pandemic. Amber answered that is correct and a challenge.

The 2900 lines show an increase of \$128,5050. The health insurance green and red plans show an increase of 7.2% and the yellow plan has a 6.4%. There were some plan and personnel changes. There was a reduction in dental insurance. Any changes are due to plan and personnel changes. There were reductions to life and disability insurance. FICA also had increases. Retirement rates are increasing for non-cert 11.71% to 14.06% and certified 17.80% to 21.02%. There is also an increase in workers comp. Mark LePage asked if the increases are due primarily due to plan cost increases. Amber answered that is correct. The insurance company looks at utilization and provide necessary increase. They are going to go out to bid next year in hopes to find something with less of an increase.

Lines 4600-4900 show a reduction of \$829 due to reduction in payment in bond debt service schedule.

Lines 5100 show a reduction of \$2,025 due to a reduction in interest per debt service schedules.

Mike Connor asked why there is an increase in food service. Amber they have had a surplus every year but the last few years the expenses have gone up and state funding has gone down. Their surplus has been depleted. Lines 5200 are for food service and the reduction of revenue leading to a shortfall. Mike Connor asked about the increase in Director salary. Amber answered that the budget line is for all employees not just the food service director. They had some part-time people that became full-time in order to effectively run the program. The program also provides food to Strong Foundations Charter School. They are continuing to look at that area. They are also adding some part-time staff. Armand Soucy asked if these numbers are considering 100% of the students or is the shortfall due to them not using services. Amber the Director looks at enrollment, reduced and free lunch programs, and how many

students are partaking. All of those play a role in the funding they receive back from the State.

Gerry Fleury asked if lunch is being delivered, are they losing money on every lunch especially with enrollments going down and expanding staff. Amber stated she would need to speak to the Lunch Director in regards to the change in if those the kids eat lunch. They are looking for creative ways to bring in revenue since state funding continues to decrease and one of those ways in catering. Gerry asked if the employees are employed by Pembroke or sub contracted. Amber answered they are employed by the District.

5300 lines show an increase of students attending PACE. Rate per student stayed the same.

Amber stated that the Fund 1 budget is up 1.61% and the total district appropriation is up 2.05%.

David Doherty asked if the paraprofessional contract is part of the budget. Patty stated that it is not part of the budget will be a separate warrant article. Negotiations are not completed yet and she cannot speak about them.

Amber explained that estimated revenue is \$15,131,794 which includes state and federal aid, tuitions, food service, proposed warrant articles. There was a reduction of \$880,000 in adequacy aid. The State legislature is trying to fix this moving forward. The State is not likely to see any changes for 2021 but maybe for 2022. There was an increase in state education tax funding of \$20,000. School building aid is up \$5,000, there was an increase in catastrophic aid of \$26,000, child nutrition is up \$11,525. Increase in enrollment and tuition rate. Last year, there were 423 AREA students and they are estimating 398 for this year. Total current roster is 770. Amber is budgeting for 698 students. Mike Connor asked to explain enrollment numbers on page 50 of the budget binder. Patty explained these are beginning of year enrollment numbers. These numbers are in the set on October 1st of every year. Amber explained those are not the numbers she uses to make her enrollment projections. Mike asked how her estimations were this year versus last year. Amber answered for next year her assumption is 698 students and last year she budgeted 710. She had estimated slightly down.

Amber walked through the budget binder and the appendix for the benefit of the new members of the committee.

Andy Camidge, Chair Pembroke School Board, right now surplus is close to \$800,000 which will affect the tax rate projections. Karen Yeaton asked if the surplus to offset taxes of \$677,759 is going to change. Andy answered that that is the number that was returned last year and \$800,000 is next year.

Amber reviewed the 2021 Warrant Articles.

Gerry Fleury stated that warrant article 8 establishes a vehicle replacement trust fund and usually that is not done with the School Board as agents to expend. They would typically need a warrant article at Town Meeting and Gerry suggests removing School Board as agents to expend to be consistent with how the Town operates.

Mark LePage shared he is currently working with David Jodoin, Gerry Fleury, and Amber on the tax rate impact sheet that is used at Town Meeting. They will likely have a draft version of that on Monday to see where they stand.

Paul Hanson asked what the increase in lines 452 and 454 contracted services cover. Patty explained those are special education services and are some specialists that came in for the new behavioral program implemented at the Hill School.

David Doherty explained the School Funding Commission has been meeting for a year and issued a report. It can be found by Googling NH State Funding Commission. There is some legislation right now for funding that will likely be seen in 2022 but not for 2021.

Mike Connor asked what the basis for the cost per pupil expenditure on page 61. Amber explained that is a state calculation and they use the MS-25 to come up with it. Amber will verify the method with the Department of Education.

Karen Yeaton asked for the discussion from the School Board and why they were not in favor of warrant articles 10 and 11. Andy remembers that it was more about the dollar amount of the warrant articles rather than the content of the articles. Andy will look to find when the discussion happened so people can look back at the meeting.

Karen Yeaton asked if they have any idea of the Paraprofessionals CBA for the bottom line. Patty stated they are in negotiations so they cannot disclose anything yet. Andy stated that the amount of paraprofessional money from last year is in this budget and any increases would appear on the warrant.

Brian Seaworth asked if the school district meeting will be held on schedule or looking to postpone. Andy stated that it appears that the Board is leaning towards the virtual and then drive-in voting route. They are far from any concrete decisions. They are meeting on Monday and hopefully they will have a better idea of a possible plan then.

IV. Other Business

The next meeting will be held January 14th remotely to continue with the school district.

V. Adjourn

Gerry Fleury made a motion to adjourn at 8:21 PM. Armand Soucy seconded the motion and it was approved unanimously.

Mark LePage, Chairman