

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

Mark LePage, Chairman, called the meeting to order at 6:29 pm.

I. Attendance:

Budget Committee Present:

Andy Camidge, David Doherty, Gerry Fleury, Mark LePage, Brian Seaworth, Peter Gagy, Clint Hanson, Michael Connor, Paul Hanson, Joe Devuono, Sue Whitbeck

Staff: Jillian McNeil Recording Secretary

II. Approval of Minutes: May 13, 2021:

Gerry Fleury moved to approve the public hearing minutes of May 13, 2021. Andy Camidge seconded the motion. Motion passed 8-0. Michael Connor, Paul Hanson, and Joe Devuono abstained.

III. Election of Officers

Gerry Fleury nominated Mark LePage to be the Chair of the Budget Committee. Clint Hanson seconded the motion. Motion passed 11-0.

Mark LePage nominated Gerry Fleury to be the Vice-Chair of the Budget Committee. David Doherty seconded the motion. Motion passed 11-0.

IV. 2022 CIP Presentation – Gerry Fleury

Gerry Fleury, Chair of the Capital Improvement Committee, presented the 2022 CIP report. Gerry reviewed the votes for high, medium, or low priority on each project.

V. Town Update

Gerry Fleury discussed a potential agreement between the Town of Allentown and the Pembroke Sewer Department that is due to be signed in 2022 that will give Pembroke more sewer capacity. More capacity could mean more development in the near future that will impact town and school services.

Mark LePage shared an update from David, noting that the Town is down two employees in both the Police Department and at Department of Public Works. These positions are in the budget with family plan benefits. There will also be requests in for additional staff for the Police Department and at Town Hall. David Jodoin was unable to make this meeting but will discuss it further at the next meeting. The quotes

for sand and salt came in and salt is up \$30/ton and sand has doubled which will be reflected in the Public Works budget. The increases are due to a shortage of drivers and an increased delivery cost.

Peter Gagyí shared that the Fire Department will see an overall budget increase of 4%. They are having issues acquiring gear and the prices for that gear are increasing. They are looking to change to buying gear on a rotating basis.

VI. School Update

Andy Camidge explained the School Board has not seen the first draft of the budget yet but it is expected within the month. They have not heard of anything out of the ordinary being in the budget. At the end of last year, the end of year surplus grew from the planned \$600-700,000 to well over a Million due to COVID relief funds covering some unexpected costs. The Board was uncomfortable giving that amount back to the taxpayers because of the large fluctuations that would have caused in the tax rate. They decided to take around \$900,000 of the surplus and fix items like a roof that had been leaking to the extent of needing multiple buckets to catch the water. Three Rivers School is getting an outdoor fitness area and a new basketball court. The Pembroke Academy Library will be receiving renovations for a modular set up.

Gerry Fleury asked what the impact of the closure of PACE Academy will have on the budget. Clint Hanson explained the students have the ability to go to any high school they choose. All of the records will be returned to their district of origin. PACE was officially closed last month and they hope to sell the building in the next 90 days. Any surplus after settling all of their debts, will be given back to the Pembroke School District. PACE, the corporation, cannot legally be dissolved under New Hampshire state law until a 2/3 majority vote at Town Meeting. If the Town does not vote to dissolve PACE, the assets will remain with the nonprofit corporation PACE Career Academy and will stay there until the voters agree to dissolve it. There were less than 50 students total and half were from SAU 53 so there would not be a large impact to the Pembroke School District if all those students decided to go back to Pembroke Academy. The students have known since May that this was happening so the students with the intent to go back to Pembroke Academy, have been in touch with the school district regarding their plans.

Brian Seaworth explained that usually when there is surplus money at the State level, it will show up as revenue and then be filtered through already established programs to the school districts. This year, instead of going to the schools as revenue, the state will reduce the state wide property tax.

Andy Camidge shared there is a public hearing for the SAU Budget on October 27th at 6:00pm at Pembroke Academy.

Andy Camidge stated the School Board is on board to look at the CIP process to make it more in line with how the Town presents their CIP projects.

Paul Hanson asked for clarification on the reluctance of the School Board to return the whole surplus to the taxpayers. Andy Camidge explained if they return a large surplus due to an unforeseen one-time event like the state funding or the budget freeze, it artificially depresses the tax rate that year. It is not repeatable which will lead to boomerang effect. That leads to large fluctuations in mortgage payments because of the timing of when mortgage companies do their escrow analysis. If there are legitimate projects, they can use the surplus for, they would rather do that so there is some stability in the tax rate and mortgage payments. Brian Seaworth would like to make a point that the School District did not exceed their voted-on appropriations. Due to COVID relief funds, there was unexpected money in the budget that was underspent.

VII. Review Draft Meeting Schedule

Mark LePage shared that the next meeting is November 18th and they will start meeting weekly after that. There are 3 nights for the various Town budgets and then the School will start December 16th. There will be a few weeks off for the holidays. There is room for more meetings with the School District if needed or if meetings need to be canceled due to inclement weather. The Budget Committee hearing will be February 3, 2022. Final available date for a regular meeting would be February 10th if needed. School District and Town Meeting will be in March. All meetings will be at Town Hall at 6:30pm.

VIII. Other Business

The Committee discussed various ways to represent surplus on the tax impact sheet.

IX. Adjourn

Gerry Fleury made a motion to adjourn at 8:08 PM. David Doherty seconded the motion and it was approved unanimously.

Mark LePage, Chairman