

**BUDGET COMMITTEE
TOWN OF PEMBROKE, NH
November 18, 2021 at 6:30 PM**

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

I. Attendance:

Budget Committee Present:

Clint Hanson, Dave Doherty, Andy Camidge, Joe DeVuono, Sue Whitbeck, Mike Connor, Karen Yeaton, Brian Seaworth, Mark LePage, Gerry Fleury

Absent:

Paul Hanson

Staff: Jillian McNeil Recording Secretary, David Jodoin

II. Approval of Minutes: October 7, 2021:

Gerry Fleury moved to approve the minutes of October 7, 2021 Dave Doherty seconded the motion. Motion passed 10-0.

III. 2022 Library Budget Presentation

Judy Mitchell, Chair of the Library Trustees, discussed the 2022 Library budget. The operating budget has increased by \$800 and the remaining increases are in the salary and benefits lines. There are increases in health insurance and the New Hampshire Retirement System. The Library has an employee who they budget a 2-person plan health insurance plan for but he does not take it and those funds are returned to the Town every year.

Brian Seaworth asked how they managed a reduction in internet expense. Judy explained the Library Director worked something out with Comcast. They have a public network for residents and a separate private network for employees.

Mark LePage asked for an overview of changes in reaction to Covid. Judy answered that for this year they are not expecting to see any changes in operations due to Covid and their hours have not changed. The building has a lot of open public space and a mask mandate was in place until the State mandate lapsed. In-person programs returned early 2021 and public spaces were reopened in June 2021. They recently lost the Children's Librarian but they have a candidate they will be making an offer to. It is a 25-hr. position.

Mark LePage asked if there were any expenses incurred due to Covid. Judy answered there were some extra cleaning expenses and plexiglass was installed but those costs

were reimbursed through the CARES Act funds. David Jodoin shared that touchless faucets were put in as well as an air purification system. The Town also purchased a backpack sanitizer that was used for all town buildings which includes the Library. Everything that did not go through CARES Act was able to be absorbed in the operating budget.

Joe DeVuono asked why heating fuel was reduced last year and increased this year. David Jodoin explained that the 2021 numbers are only through the month of November and December expenses will be added which will increase those lines. There was also savings due to a lower number of people going in and out causing the doors to open and let the cold air in. The separate issue of a new roof is on the CIP plan to repair.

IV. 2022 Town Budget Presentation

David reviewed the budget binder with the Committee. As has been stated in previous years, there is a need for new personnel in several Town Departments and those are reflected in this budget. In 2016, the Town had a full-time Accountant and a 30-hour a week Finance Clerk. When the Accountant left, the responsibilities were taken over by David. The Finance Clerk does not have the accounting background to take on the position so a full time Accountant was added into this budget for 6-months. David will be looking for someone with experience in municipal fund accounting. This is not an entry level position and the person should need no training other than potentially learning a new software program. The increases in the budget for this position are for salary and benefits only. Some other notable items in the 2022 Town Budget are:

- The Town Clerk increases are salary and benefits. Under Elections, there were increases for salary. The Selectmen had voted to pay the Checklist Supervisors and hourly rate to do the data entry as well as their annual election stipend.
- This is last contract year with Vachon Clukay & Company. In 2022, there will likely be a single audit act which will raise the cost of the audit. There are federal funds coming through from LRPA Funds for around \$700,000 that will most likely trigger a Single Audit.
- Tax Collection budget is flat.
- The Budget Committee budget has a minor increase for Recording Secretary costs.
- Revaluation of Property did not see changes. There may need to be an update to values in 2022. Currently the Town's ratio is at 77%.

- All legal cases are currently done. There is one tax abatement case with Associated Grocers over their assessment, and as we all know Eversource and Consolidated Communications will file yearly.
- Planning and Zoning budgets have a decrease since the Code Enforcement Officer left and he was at a higher rate of pay than the person who replaced him and the new employee did not need health insurance.
- General Government Buildings budget is down. There is a new mowing contract and there is also a new cleaning company that was hired. Department of Public Works could not keep up with the buildings as they were short staffed.
- Holiday credits for property liability and workers compensation insurance have not come in yet but should be reflected in the budget by Town Meeting.
- Police Department Budget calls for one new full-time employee. The Selectman just approved two part-time employees. Police Department retirement is very high since the rates changed. The Selectman also increased pay for the Department to try and stay competitive with others.
- Tri-Town Ambulance budget has a small reduction and it is based on the last 3-years of calls. Concerns for the new complex in Allenstown that may drive theirs up higher and ours lower.
- The Fire Department budget is up and it is largely due to the cost of replacing gear. They have not hired for their open position. Pembroke Fire Department employees work M-F rather than the 2-on 4-off schedule that is more typical. That leaves our employees with less flexibility than other departments and we also are unable to pay what larger departments would. Much like our Police Department, this makes Pembroke a training ground people leave after a couple of years.
- Department of Public Works increases are largely health insurance rates. They have to anticipate family plans for the new hires. When they get through the hiring process that line may come down.
- Engineering has remained the same. The Town still may need to hire a dedicated employee for the MS-4 Stormwater Permitting Process in the near future.

- Solid Waste Budget has come down but the bid for the new solid waste contract was just awarded to Casella and the rates came in at \$99/ton rather than the expected \$125/ton. The numbers still need to be added to the budget.
- Health Administration and Community Action stayed the same. Welfare went up a little due to salary increases.
- Conservation Commission is up \$1,500 to hire an attorney to review deeds of donated property. They want to make sure there is language in all the deeds that does not allow future Boards to sell any donated conservation land.
- Debt service is down \$300,000. Upper Beacon bond is paid off and the bond for the Library is almost paid off.
- Central New Hampshire Regional Planning Commission did a presentation to the Roads Committee and discussed roadways in Town and issues that they are getting further behind on. That yearly allotment has been increased to \$750,000.
- Sewer and Water Budgets have not come in yet.
- The selectmen are looking at a bond for major construction work on Main Street and Sherwood Meadows.

Brian Seaworth discussed the staffing issues at the County and State level and asked if filling the two open positions at the Police Department are in this budget. David explained that yes, those positions are in this budget, however, the Chief is trying to get part timers to back fill the Department. The case load is so backed up that there are now two Detectives working cases and they also have to fill patrol spots. If they can get those two main positions filled, the two part-time employees will be assigned to help out the Detectives and back fill shifts.

Mark LePage asked for a recap of the revaluation discussion with the Selectman. David explained the Town Assessor came in and discussed the current market rates and the potential need for another statistical update. Properties are selling \$50-100k over what they are assessed for. The equalization ratio is supposed to remain between 90% and 100%. Pembroke is currently at 77%. The Selectmen years ago refused to do updates and they were told by the then Commissioner of DRA that he would have it ordered by the BTLA and withhold revenues if necessary. Unfortunately when statistical updates are done, it largely falls on the residential taxpayer because commercial properties do not sell as often. It is not possible to know what the impact to the tax rate will be.

Gerry Fleury asked if revenues from auto registrations are suffering because they cannot produce enough electronic chips for new vehicles. David answered there may be some impact next year but this year, there was not too much of an impact. The supply chain problems are hitting every industry.

There are still several updates that need to be made to various departments before the Town Budget can be finalized. There are still four more payrolls and three more regular accounts payable manifests in the year. The Selectman also still need to look at 2021 encumbrances also.

V. School Update

Andy Camidge shared health insurance rates are showing an 8.5% increase. There were several changes this year from single person to family plans. It is looking like a \$1.5M increase and \$300,000 is of that is health insurance. Right now, it is an overall 5.4% preliminary increase. The Board has only had one look at the budget and they have scheduled an additional meeting for 11/30. They do not have final retirement numbers yet. The increase does not include any raises for any staff not covered by a collective bargaining agreement. A 3% raise for those people will be around \$44,000. They have not looked into what items can be paid out of trust funds yet. There was an AREA meeting last week and Pembroke Academy enrollment numbers are increasing.

Clint Hanson shared that increased in Special Education and Special Education Transportation account for roughly 34% of total increase. Clint asked if they are using the numbers of current special education students and not what they are anticipating. Andy is not 100% sure but they do look ahead for what is known. It is a need-based item and not an optional item.

Karen Yeaton asked if the school has looked at estimated revenues. Andy stated they just received the budget Tuesday night and have not been able to look at it yet.

VI. Other Business

The Committee discussed the schedule moving forward:

Police & Ambulance Dec 2nd

Fire & Department Public Works Dec 9th

Water Sewer School Dec 16th

School District January 6th

Brian Seaworth discussed the county tax rate. They are preliminarily looking at another flat or reduced tax rate. The county is having issues acquiring staff which is leading to some decreases in the budget. The County has been successful in using Covid relief money for CIP projects which played a factor in reducing the tax rate.

Andy Camidge wanted to note the Business Office at the SAU is very short staffed. Assistant Business Administrator position has been vacant for at least a year and there has been significant turn over. The other District's agreed to get their budgets late to get Pembroke's done sooner.

VII. Adjourn

Gerry Fleury made a motion to adjourn at 7:34 PM. David Doherty seconded the motion and it was approved unanimously.

Mark LePage, Chairman