

**BUDGET COMMITTEE
TOWN OF PEMBROKE, NH
April 14, 2022 at 6:30 PM**

Mark LePage, Chairman, called the meeting to order at 6:34pm.

I. Attendance:

Budget Committee Present:

Clint Hanson, David Doherty, Sue Whitbeck, Andy Camidge, Mark LePage Gerry Fleury, Peter Gagy, Karen Yeaton, Brian Seaworth, Joe DeVouno, Matt Miller

II. Approval of Minutes: February 3, 2022

Gerry Fleury made a motion to approve the minutes of February 3, 2022. Dave Doherty seconded the motion. Motion passed 8-0. Matt Miller abstained.

(Andy Camidge and Karen Yeaton joined the meeting after the approval vote on the minutes)

III. 2021-2022 Budget Season Retrospective

Mark LePage needs to clarify with Tom Serafin about making the budget article motion. This year, Tom made the motion and asked for a second rather than Mark making the motion and asking for a second as it has been done in years past.

David Doherty felt that the information provided by both the Town and the School has been the best he has seen over the years he has been on the Committee. The way the Committee discussed and debated the information being presented was respectful and purposeful.

Clint Hanson has felt in the past there was more information than was needed but this year they got what they needed in a format that they needed which led to great discussion by the Committee.

Mark asked if there was any information, they didn't get that they would like to get. Gerry Fleury stated that it is a matter of trust. If the committee members trust the information they are getting from the town and school they can proceed with the process. The citizens who vote the budget in do not have the luxury to comb through the amount of information the Committee gets and needs to be able to trust what the committee is recommending.

Gerry Fleury asked if there would be a CBA in the next years warrant from the School District. Clint answered there should be a CBA coming up. There may also

be a building project. David Doherty stated that they got the \$250,000 for a study passed and that would likely start in July so there is a likely chance they wouldn't be ready for the next budget season. Gerry stated that it may be ill advised to bring in a bond issue the same year as a CBA. If it goes to the next year, there is a CBA for the Paraprofessionals. Sue Whitbeck shared that historically, it has taken multiple years for the School District to get any major building project passed. Andy Camidge shared the intention is to bring the bond vote to the floor in March 2023. The RFP is on the agenda for the next meeting. They are discussing the difficulty with the teacher contract and a building contract in the same year. When the Village School was closed and the modular classrooms were introduced at Hill, the agreement with the Town was to make every effort to have the modular be a one-time lease. The leases are only done in 5-year increments.

Brian Seaworth shared how Allenstown's building aid came through and how the building aid is distributed at the State level. Most School Districts put off projects due to COVID and now the requests are well over what is budgeted at the State level.

The Committee discussed the tax rate impact sheet. Clint discussed the differences in the town valuation estimation. Clint feels it is too conservative. Mark explained the values on the tax sheet reflect the numbers from NHDRA except the year going forward. Clint shared concerns that the projections show a double digit increase when we know, that it is not going to be that and the committee could do a better job in making projections. Andy stated that if each line is projected conservatively, then the bottom-line number will always be very conservative and a gross overestimate, which has its benefits and its challenges.

Brian Seaworth shared after rewatching the video; he would have voted in favor of the warrant article for the school district holding an unassigned fund balance. Clint shared a time when the school district over anticipated revenue and when that didn't come to fruition, the school district had to go to the superior state and ask for a special district meeting for a supplemental appropriation. Otherwise, they would have had to close school a month early. Brian asked if the decision was that the committee didn't like it and didn't want to hear about it any further or was the decision more of a concern that this wasn't the year for it but look at it in the future if it warrants. Andy stated a lot of it wasn't well understood at the time by the School Board, the SAU, and the MBC. Karen Yeaton stated that the law was mostly geared towards municipalities that didn't have well-structured capital improvement funding set up. Pembroke has a robust capital improvement program, so the discussion lead to why is this necessary and confusion over the fact that this fund could be spent on whatever. Brian stated this could be a mechanism to level the surplus that is given back to the taxpayers so it is less of a rollercoaster.

Matt Miller stated for the community power program, one of the concepts is creating a financial reserve for the specific purpose of dealing with the costs of the power cycles. The way the financial reserve works is first idea is that buying power

wholesale will give a margin that the consumers will benefit from. From that margin what fraction of that should be taken from the consumer revenues and earmark it as a financial reserve. It is saying what is an acceptable amount that can be used in the future to offset costs. However, there should be some boundaries on what the funds should be on. Sue Whitbeck asked if the MBC/Town could put boundaries on it even if the state has not. Andy answered that there are boundaries, they are just broad. Like it could not be a new expenditure. It has to be something that is planned on in the current budget that there were not funds for. It would be a capital reserve for day-to-day operations of the schools. Mark suggested doing some work on the understanding of the article and bringing it back to the committee early in the next budget season. Gerry has concerns about the use of the capital reserves for this purpose and the School District's comprehension on how they use the current capital reserves. The expenditure of a reserve is going to turn into a cash flow requirement and that's going to impact the tax rate. There has to be competent people managing the reserves. Andy stated that this fund does not rollover year to year and grow. It has to be reappropriated and they would reappropriate the same amount every year.

Karen Yeaton asked if it was possible to go back to three years of actuals in the school district budget. Andy said he will take that note.

Mark asked if there was anyone the committee would like to ask to participate in the process going forward. Such as the Special Education Coordinator at the School. Gerry feels it would be helpful for newer members to understand how little can be asked about what is spent and what happens to it. Andy shared that the principals presented their budgets to the School Board rather than having the Business Administrator present them. Andy suggested the committee watch or join those meetings. He would open it up to allow the budget committee to ask questions.

David Doherty asked how as a body, can we get more information out to citizens so residents have a better understanding of the budget by the time they get to town meeting.

Matt Miller asked if there was an economic development committee and how does the MBC interact with them. Karen stated it is not currently operating. They stopped meeting when COVID hit and have not started back up again. Mark stated they do not have any cross interaction with them.

IV. Other Business:

None

V. Adjourn:

Gerry Fleury made a motion to adjourn at 8:06 PM. Mark LePage seconded the motion and it was approved unanimously.

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Mark LePage, Chairman

For more detailed information, the meetings are now taped and can be seen on www.townhallstreams.com
click on Pembroke NH and look for the day of the meeting under the month.