

**BUDGET COMMITTEE
TOWN OF PEMBROKE, NH
January 25, 2024 at 6:30 PM**

FINAL

Video recordings of Budget Committee meetings can be found at:

https://townhallstreams.com/towns/pembroke_nh

The relative start time of each agenda section is noted below.

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

I. Attendance

Budget Committee Present: Mark LePage, Gerry Fleury, Clint Hanson, Gene Gauss, Brian Seaworth, Peter Gagyi, Matt Miller, Jason Mayeu, Louis Caron, Jennifer Miskovic (formerly Johnson), Sue Whitbeck

Budget Committee Excused: None

Budget Committee Not Present: None

II. Approval of Minutes: January 18, 2024 [01:03]

Clint Hanson made a motion to approve the minutes of January 4, 2024. Jenn Miskovic seconded the motion. Motion passed as 9-0. Sue Whitbeck recused herself due to being absent/excused from the previous meeting.

III. Town Budget Update [01:24]

Mark opened the meeting with a summary of the process for the evening. This included walking through the town warrant articles and school warrant articles one by one, having a discussion on each that has a dollar amount associated. There were some minor changes to the school warrant but no material changes. For the Town, Article 4 (EV Refuse Truck) may need some updates depending on the discussion. There will be a vote on each and this will determine whether they are recommended or not recommended by the Committee.

Mark then discussed upcoming events. There will most likely be another Budget Committee meeting next Thursday, February 1st. The following week, on February 8th, the Committee will hold a Public Hearing at 7:00 pm at Pembroke Academy. Following the Public Hearing, there will be a Committee Meeting to discuss the feedback received. The goal is to revote on the warrant articles based on public feedback. If the voting does not get completed that evening, there could be another follow-up meeting to finish. This will conclude the Budget Committee process.

The Tax Sheet remains the same as the one provided at the beginning of the month. The budgets that are being assessed are based on those rates. The Public Hearing is not the forum to discuss the revaluations, but to talk solely about the budget. Mark suggested the Board of Selectman hold some information sessions on the upcoming revaluation for the public. Handouts will be available at the Public Hearing that describe the revaluation process.

Mark had also sent out a Pembroke Property Tax Timeline to the Committee that shows the billing cycle and the budget process and impact on that cycle. Mark also discussed trying to make an example sheet that would allow people to see how the budget, in light of the revaluation will impact them specifically. In this example, Mark used 2023 numbers and an increase in property valuation of 35%. The tax rate decreased in this example, leaving the tax liability lower for the homeowner. This is not accurate as it does not consider commercial properties or utilities that will not increase at same percentage as residential. Because of this, there is no way to come up with an example for residents at this time as it would be misleading. Gerry Fleury agreed that taxpayers would be upset if they used the example, and it was not accurate. Clint commented on the process and agreed that there isn't a way to provide an accurate example. Peter Gagyi then asked about Mark's suggestion that the Selectboard hold information sessions for the public. Mark clarified that he was talking about something like what the assessor's had done at a prior Selectboard Meeting. This would not include answers on

specific cases, but instead a general information session and a place to ask more general questions. Gerry commented about voters not necessarily knowing the impact of what they are voting for in terms of appropriations since no one can truly tell them. He said it would be a hard sell to expect them to vote “yes” on the warrants because of this. Sue agreed that the timeline will be helpful. There was a brief discussion on the difficulty of explaining the tax billing process to the average person.

Gerry then wanted to explain the implications of the warrant articles. Warrant articles do not all work the same. Each will either be recommended or not recommended. Regarding the School warrant articles not being additional taxation, an approved budget sits at the level of appropriation. If the total appropriation (approved budget) is not spent, at that time, the warrant articles will be funded in the order that they were approved at the School District meeting. If there is a surplus, they will get funded. If there is still a surplus, the funds will lapse to reduce the tax rate. The School District cannot hold on to cash, if it is not spent or encumbered, it must go back to reduce the tax rate. The town side is completely different. These articles will raise and appropriate. The Town can hold on to cash. Warrant articles can be funded by reserves. Currently, there may not be enough in reserves to fund these warrants and if there is not, they will have a direct impact on the tax rate. If it is funded from reserves, they are given 10 days to put it in the trust fund, if it is funded through the tax rate they have until December when the taxes are collected. Brian inquired about recommending an article, but with a different amount. This cannot be done. Ultimately, the voters will have the final decision regardless of the recommendation.

Discussion and voting on individual Town Warrant Articles then began.

Article 3 – To see if the town will vote to raise and appropriate \$152,000 to perform a stormwater infrastructure project at Memorial Park.

David Jodoin explained that V.J. Ranfos, Public Works Director, applied for and received a grant in the amount of \$152,000 from the State of New Hampshire to do some engineering and design work at Memorial Park. This amount will not be bonded. Instead of paying \$152,000 plus interest, there will be a \$110,400 forgiveness. Ultimately, the town will pay back \$41,600 plus interest on the total amount. This payment will be made in 2025 (next year’s budget). There was discussion on what this work will involve, and David added that this is a design and engineering project that will in turn lead to a request for bid for the actual work to be completed. This is for the erosion problem on the Merrimack and Suncook River Banks. The subsequent project will total approximately \$400,000.

Clint asked if a motion to recommend was needed. He moved to recommend, and Gene Gauss seconded.

There was further discussion on how the financial transactions will happen. The State will be billed monthly, and the Town will be reimbursed. The town will receive the \$110,400 from the State and this will go to pay back the project.

Discussion then started regarding the banks of the Suncook and Merrimack Rivers and the erosion that is currently happening. Gerry stated that there are areas where the road is being threatened due to the river being on a new course. There has been about 6 feet of shoreline lost due to the most recent water events. There is visible erosion. It was also added that there was an erosion event in Epsom that added silt/sand to the Suncook River which has compounded the problem that Pembroke is facing currently. Louis Caron confirmed this is happening in the Concord area as well and they are not acting on it at this time. Gerry added that it is approaching the old Pembroke Dump. His hope is that the study will come up with a solution. Louis inquired if the Department of Environmental Services (DES) has been engaged. David mentioned vegetation and old timber as options to stop further erosion. There was further discussion on the erosion event in Epsom and the river traveling through the sand pit, causing sand to end up in the Merrimack River which compounded the current erosion problems. The study seeks to find a solution to the problem.

The article was recommended 10-0.

Article 4 – To see if the town will vote to raise and appropriate the sum of \$721,355 to purchase a new EV refuse truck with accessories.

Clint made a motion to recommend. Gene seconded the motion.

Gerry is also the Chair of the Solid Waste Committee. He was able to review the grant application that Pembroke submitted to NH DES. The State will own the trash truck, but Pembroke can use it for as long as they want. There are other conditions for insurance and liability for the State. Gerry reached out to DES and the requested grant amount cannot be changed at this point. The grant will not fund all the expenses associated with the truck. Gerry spoke further about using the Town Equipment Capital Reserve to make up the difference, but the town would need to know exactly how much was needed. The warrant could be adjusted to reflect this. V.J. is working on those numbers currently. Pembroke will not see the money until the new truck (EV) is set up and the charger is installed. At that point, a DES representative will come down and disable one diesel truck from the current fleet. This is planned to be a 1997 Peterbilt that is used at the dump currently on Tuesday and Saturday to collect trash. There is a Solid Waste Committee Meeting on Tuesday January 30th at 6:30 to discuss this matter further. Timelines were a point of discussion for the Committee to understand the cash flow process for this article. There was discussion on reserve balances and tax collection as it would impact how the project is funded prior to reimbursement. Next steps are to find out exact costs for things like charger installation (electrician), accessories and service agreement/warranty, which will be paid from the Town Operating Budget. Gene wanted to clarify that it would hit the tax relief line when the money was received from the grant, and David confirmed that. He also brought up EV vehicle batteries in the cold and Gerry spoke in detail about the differences between the EV refuse truck and the batteries that Gene was referring to. Gene then spoke about the break-even point between the diesel vehicle and electric. He is unsure that it has been determined. He brought up the approximately \$40,000 current town liability for this and how long it would take to use \$40,000 of diesel in the Peterbilt that is being decommissioned as it just sits at the dump running two days per week. Matt spoke about all the other benefits that EV's bring with them. Louis spoke about the Peterbilt and asked if it has any other functions. There is a tipper that can be added to the EV trash truck. This truck would need a driver and an attendant. This would allow the EV to be used in the case that the main truck goes down. Gerry did mention that the cardboard dumpster would no longer be needed at the dump as the EV could handle that. David pointed out that either way, the Peterbilt needs to be replaced. The Peterbilt is the only vehicle in the fleet that qualified for the grant.

No vote took place on this article. It has been deferred to the February 1st Budget Committee Meeting.

Article 6 – Shall the town vote to Modify Chapter 138, Article IV of the Pembroke Town Code entitle Elderly Exemptions under the provisions of RSA 72:39-a for elderly exemption from property tax in Pembroke.

Clint made a motion to recommend. Gene seconded the motion.

This article changes the thresholds for elderly exemptions on property taxes. Brian spoke about this being necessary not for expansion, but to keep up with the rate of inflation for those currently using the program. David said that the number of residents that use the exemption is less than 10.

The article was recommended 10-0.

Article 7 – To see if the Town will vote to raise and appropriate the Budget Committee's recommended amount for the 2024 municipal budget.

This article was deferred to the February 1st Budget Committee Meeting.

Article 8 – To see if the Town will vote to raise and appropriate the sum of \$845,500 for Capital Reserve Funds.

Town Equipment Capital Reserve Fund	\$275,000
Police Cruiser Capital Reserve Fund	\$65,000
Municipal Facilities Capital Reserve Fund	\$75,000
Fire Major Equipment Capital Reserve Fund	\$162,000
Fire Small Equipment Capital Reserve Fund	\$40,000
Roadway and Infrastructure Capital Reserve Fund	\$50,000

Revaluation Capital Reserve Fund	\$30,000
Cemetery Capital Reserve Fund	\$10,000
Ambulance Repl./Equipment Capital Reserve Fund	\$121,000
Recreation Capital Reserve Fund	\$10,000
Town Clock Fund	\$7,500

Clint made a motion to recommend. Jason Mayeu seconded the motion.

The discussion opened with the additional funding for the Ambulance Repl./Equipment Capital Reserve Fund. Louis asked how this related to the special appropriation of \$450,000 related to this last year. David stated that this was to purchase a new ambulance. The money in this article is to start saving for the replacement of a current vehicle that will need replacement in approximately 6 years. Matt Miller commented that this article totals less than last year for the same Capital Reserve article. Gerry spoke about a concern with the Recreation Capital Reserve Fund. He was concerned with the choice of projects including the want for a roof over the stage. Overall, he is concerned about the current operating budget that is coming up for approval and where cuts can be made. Gene listed the Town Clock, Recreation and Cemetery as funds that could be trimmed back or cut. Louis inquired about the Town Equipment Capital Reserve Fund and the large amount being put into it as compared to what is already in the account. David said that there is a 6-wheeler that was taken out of Capital Investment Projects this year, but that will hit the next year. Sue Whitbeck pointed out that \$27,500 will not solve the current budget problems, referring to the sum of Recreation, Cemetery and Town Clock.

The article was recommended 8-2.

Article 9 – To see if the Town will vote to raise and appropriate the sum of \$60,250 to purchase a not Hot Patcher for the Public Works Department.

Clint made a motion to recommend. Brian seconded the motion.

Matt asked about the status of how the town patches potholes currently. It was discussed that the current hot patcher is in a state of disrepair. Gene discussed what the benefit of getting a separate versus combined unit (truck and hot patcher) would be. In theory, it could be hooked up to different vehicles when necessary. Clint asked how old the current hot patcher is and David thinks it is at least 17 to 18 years old.

It was mentioned that Articles 9, 10, and 11 were all money that is already set aside and will not directly impact next year's tax rate.

The article was recommended 10-0.

Article 10 – To see if the Town will vote to raise and appropriate the sum of \$54,850 to purchase a new Police Cruiser and accessories.

Clint made a motion to recommend. Jenn seconded the motion.

There was some discussion surrounding the cadence of new cruisers for the Police Department. David said that the Chief would like to budget for one cruiser each year. It was suggested that this be part of the Operational Budget going forward, but that would be up to the Selectboard next year. Gerry mentioned the Fire Department taking meticulous care of their vehicles. The Police Department tends to replace vehicles after the factory warranty expires and give them to other departments. Mark pointed out that it is lighter use in the other departments. Gene pointed out that this will not be a regular cruiser but used for admin and David confirmed that it will be unmarked. This will be replacing a current admin vehicle that will be used by detectives and for investigations. The new vehicle will be outfitted so that it can respond to emergency situations.

The article was recommended 10-0.

Article 11 – To see if the Town will vote and appropriate the sum of \$5,000 to purchase a video surveillance System for Memorial Park.

Clint made a motion to recommend. Jenn seconded the motion.

Gene asked if this would cover everything. David said there would still be some dead spots, but they want to upgrade the connection between Public Works and the park. This would also upgrade to a real time feed versus a recording. The police will have access to this. There also is not currently an internet connection and the Town is working with Comcast to see if that can be addressed.

The article was recommended 10-0.

Gene brought up Welfare and the possibility of creating a Capital Reserve Fund for that. He looked at the history and saw that the Town is not using the total funds appropriated for Welfare. There is a budget of \$55,000 per year and the Town has used \$35,000 over a three-year period. David spoke about the lapse of the Emergency Rental Assistance Program (ERAP) and any tax assistance that was available. This has had a large impact on Welfare Applications and he thinks that we will go over \$55,000 this year.

IV. School Budget Update [01:46:25]

Article 2 – To see if Pembroke School District will vote to raise and appropriate the Budget Committee’s recommended amount of \$34,093,987 for the support of schools.

This article will be deferred to the February 1st Budget Committee Meeting.

Article 3 – Shall the Pembroke School District vote to approve the cost items set forth in the collective bargaining agreement reached between the Pembroke School Board and the Pembroke Paraprofessional Education Association.

2024/2025	\$187,750
2025/2026	\$96,963
2026/2027	\$92,580
2027/2028	\$91,126

Matt discussed the steps in wages outlined in the agreement. He spoke about seniority increases being lower than step increases and how he found that odd. Louis wanted to know why there is such an increase in the first year and Gene confirmed that it was a catch-up year. The goal was to get the paraprofessionals to an average state wage for the position. As they gain experience and certifications, the wages increase as well.

The article was recommended 9-1.

Article 5 – To see if the Pembroke School District will vote to raise and appropriate the sum of \$40,000 for the purpose of floor replacement and painting district wide.

Clint made a motion to recommend. Gerry seconded the motion.

The article was recommended 10 -0.

Article 6 – To see if the Pembroke School District will vote to raise and appropriate the sum of up to \$100,000 to be added to the Special Education Trust Fund.

For articles 6, 7, 8, 9, 10 and 11, there is money being added to the reserve funds. These will be funded if there is a budget surplus. It will fund the accounts in the order that they are listed if there is an additional surplus.

Clint made a motion to recommend. Jenn seconded the motion.

Matt asked what the balance is of the Special Education Trust Fund at this time. Gene stated that they have overspent the Special Education Budget by \$390,000 at this point. Currently, there is no money in the Trust Fund, unless there are unforeseen revenues that come in. Matt would like to know the nominal target funds for each of the reserve accounts is. He does not see a need to fund reserve accounts that are not expending the funds. He believes additional funds should not be added to sufficiently funded reserve accounts, and instead be returned to lower the tax rate. Gene stated that the goal for the Special Education Trust Fund is \$500,000 at any given time.

The article was recommended 10-0.

Article 7 – To see if the Pembroke School District will vote to raise an appropriate the sum of up to \$155,000 be added to the School Building Capital Reserve Fund.

Clint made a motion to recommend. Jenn seconded the motion.

Gerry explained the available uses of these funds. These funds can be used for anything to do with the buildings. This is done in case there is a need for a large capital investment. Matt asked again what the target was for this account and Gene told him it is \$500,000. Matt said that it is currently at \$520,000. Kerri Dean, School Board Member, was in attendance and helped provide numbers for reserve accounts and targets. Gene then gave more detail on the School Board's discussion of this article. They spoke with Josh Coughlin, Facilities Director, and he said that the fund should be over \$1 million. This is due to the expensive nature of repairs on the buildings (air handler, boilers, roofing, etc.). Despite this, the School Board set it at \$500,000 given the current budget situation. Clint added some insight on expenses from his time on the School Board as well which aligned with Gene's concern. Gerry pointed out that the School Board must come back to the town to ask to spend this money regardless. The Town is the agent to expend. There was some continued discussion on the \$500,000 goal, why it was set and why the funding structure is set up the way it is. Louis voiced concern over recommending this article due to the current status of the School Budget. Gerry explained that if there is a surplus, and these are not voted in, then that money will go back towards lowering the tax rate in the following year. Brian spoke about the fact that it will not impact the current tax sheet that is being considered. There was also talk of the School Bond for next year possibly being reconsidered. Matt spoke about his stance on these articles, and he would not recommend funding any that are already at target.

The article was not recommended 7-3.

Article 8 – To see if the Pembroke School District will vote to raise and appropriate the sum of up to \$10,000 be added to the School Technology Expendable Trust Fund.

The current fund balance was \$73,525 as of December 31, 2024. Kerri added that the target was \$200,000.

Clint made a motion to recommend. Jenn seconded the motion.

Matt was concerned that there hadn't been many withdrawals from the account and wanted to know what the plan was for the funds. Gene stated that this is for the servers in the buildings. Gerry said that the fund was created to ensure uninterrupted access to curriculum on the servers. This fund could be used to fund Chromebooks, but the current replacement cycle was put in the budget.

The article was recommended 6-4.

Article 9 – To see if the Pembroke School District will vote to raise and appropriate the sum of up to \$10,000 to be added to the Vehicle Expendable Trust Fund.

The current fund balance was approximately \$63,000 as of December 31, 2024. Kerri added that the target was \$100,000.

Gerry brought up the fact that the district just purchased a truck. He thought the goal of \$100,000 was a bit high. Gene said the replacement cycle was at approximately 10 years currently. The thought is that the recently purchased vehicle has not been expended from the account yet. Currently, there are two vehicles being funded by this account.

The article was not recommended 6-4.

Article 10 – To see if the Pembroke School District will vote to raise and appropriate the sum of up to \$25,000 to be added to the Equipment Installation and Labor Expendable Trust Fund.

Clint made a motion to recommend. Jenn seconded the motion.

The current fund balance was approximately \$245,000 as of December 31, 2024. Kerri added that the target was \$300,000.

Jenn asked what the fund is used for. Gene answered that it is used for Tractors, Lawn Mowers, and other equipment used at the buildings. The School Board is the agent to expend.

The article was not recommended 7-3.

Article 11 – To see if the Pembroke School District will vote to raise and appropriate the sum of up to \$100,000 to be added to the Site Improvement Expendable Trust Fund.

The current fund balance was approximately \$383,000 as of December 31, 2024. Kerri did not have a target for this fund.

Gerry stated that this could include parking lots, roads, or fields. Currently, they have been saving money to build a new track. Gerry's opinion is that it needs to be done eventually, but that it is not in need of priority at this time. Gene said that the track is at end of life, but the priority of the project has been moved back. The cost of the track replacement is approximately \$450,000. Clint brought up the liability of having someone come to look at it and not repair it. Gene talked about lanes being shut down by New Hampshire Interscholastic Athletic Association (NHIA) at a point because of safety concerns. He did agree with Gerry that it is not horrible and is manageable at this time, which is why the priority level has changed. Gerry did have concern with Belanger Drive that the School District owns. If something were to happen, it would need to come out of this fund as well. Brian concluded that based on the Committees recommendations on the other articles, and given the low priority of this project, it would determine his vote.

The article was not recommended 8-2.

There was a discussion on the process for deliberations next week. There will be a vote on any budget cuts that come up in discussion. There will be an opportunity for a motion to amend. If that is seconded, there will be discussion on the amendment and a subsequent vote. This will be done by section, not by individual line. If you make a motion to cut, you have to say where you are cutting it from. Before the meeting is adjourned, there must be a finalized budget recommendation.

The remaining articles will also be revisited next week.

V. Adjourn: [02:46:13]

Sue made a motion to adjourn at 9:16 PM. Clint seconded the motion, and it was approved unanimously.

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.