

TOWN OF ALLENSTOWN
Budget Committee
16 School Street
Allenstown, New Hampshire 03275
February 16, 2017

Call to Order.

The Allenstown Budget Committee Meeting for February 16, 2017 was called to order by the Chair at 6:02PM.

Introductions:

Dave Coolidge, Carol Angowski, Fran Severance, Mike Francenella, Keith Klawes, Tiffany Ranfos, Kris Raymond, Karen Simmons - Finance Director, Shaun Mulholland – Town Administrator, Mark Wilder, Deb Carney, Chad Pelissier.

The Chair states that they do not have the minutes for the past few meetings, November, December and January.

Ms. Raymond states that she has sent him the full November 17th minutes. The December minutes are only half because she presented the school budget. And the January minutes are full, she had done those as well.

The Chair states he will get those minutes sent out for review and corrections and they will be brought back for the March meeting.

Review of Expenditure and Revenue Report

The Chair states that he had made a mistake, Mr. Mulholland sent the Chair those reports and he didn't realize until later that he was sent both the January year to date for 2017 and end of 2016. So the chair sent out the 2016 ones rather than the 2017 by accident.

The Chair asks if there are any questions regarding the 2017 expenditure and revenue report.

Male Speaker: on the town report on the bottom line it looks like year to date spending is less than 10% of the budget is that something special?

Male Speaker1: it's one month, it's part of February.

Male Speaker: I was looking at the town expenditure report, like the software design web design, all of that, is all done at the beginning of the year?

Shaun: yes

Male Speaker: okay because I saw that we only have like 5% left on that
Shaun: answered but hard to hear

The Chair: I know it's early, mid-February, but are you expecting any anomalies? Have you heard of anything coming up, this is the third year a balance is due from Allenstown aggregate correct?

Shaun: yes, when you signed the MS737 to \$24k instead of a \$50k we projected \$24k

The Chair: is there any kind of pending law suits that may be coming or in the works that could be costing the town money or bringing extra revenue into the town?

Male Speaker: basically the only law suit that we have is the sewer case that we won but might be appealed in the Supreme Court.

The Chair: if that goes to the Supreme Court and that's found in Allenstown favor is that going to be a dead issue from here on out?

Shaun: Well unless they choose to go to the United States Supreme Court then Federal Court. It comes down to how much tax payer dollars they want to spend over there. Unfortunately they were trying to get their hands on the septic funds, that was their goal but it backfired on them. Now the court has ruled that all the hook ups that they did, they didn't pay for so they have no right to it. So any new businesses that come in they can't hook them up which is a consequence of their law suit that hurt themselves; which doesn't benefit us either. So now they have to appeal it because they're in an even more difficult spot than they were before. Now they're not going to get that money and they're in a very precarious spot.

The Chair: When you say new hook ups are you talking about new business and new housing hook ups?

Ms. Ranfos: So the loss of this suit they lost access to the plant capacity as a whole?

Shaun: no they're entitled to a certain capacity, the bile mag added new capacity and they're not entitled to any of that new capacity. Even though they have the permits from DES, DES just gave them the permits when they asked for it which they shouldn't have. So now we have a situation where it's questionable if the hookups they have are legal or not. And any news ones they're not going to get the capacity that was added to the plant.

Male Speaker: inaudible

Shaun: right but that doesn't necessarily benefit us.

The Chair: is that something the sewer commission can say we'll work with you and sell you extra hookups?

Shaun: once the supreme has made the decision. This has been going on since 1977 and we finally have a court decision after a trial and we're not able to let the tiger wag the tail alone now. Now we're we have them where we want them to be, and I hate saying that because they're our neighboring town, but then we'll be in a pretty good negotiating stand point.

Ms. Ranfos: does that add to sewer revenue? If we can charge them a fee or a certain percentage does that increase the sewer revenues that Allenstown projects out?

Shaun: no, obviously if they add more capacity over there they add more holes per unit, they're going to add more revenue. But we have to dispose that material so it's an expense, so it's not like there's a profit made from that; just part of the cost of doing business.

Mike: so the unstated fact is how much capacity is Pembroke using and what is their maximum allowed capacity?

Shaun: they have a certain amount, but that bottom processes added capacity which allowed the moritum to be lifted. And they went and grabbed a bunch of that capacity for their own developments. It was supposed to go through Allenstown but they didn't do that, they went right to DES and DES just gave it to them. So another concern is that DES might file an intervenence status, although they're better off staying quiet since they really didn't do the right thing. We'll see what happens with that.

Chair: how long before the Supreme Court hears...

Shaun: months

Woman Speaker: are they paying our lawyer fees?

Shaun: no we're paying our lawyer fees

Woman Speaker: well if they wanted this I think they should pay

Shaun: I agree

Woman Speaker: there's not even a clause that says if we win you have to pay our lawyer fees?

The chair: that would cut down on a lot of legal fees in the United States if that happened but the lawyers are not about that.

Chad: I have a question about the equipment, it looks like we're already 37% below for the year. Page 5, row 01.4290.n7.50 for 2017. So it looks like we're already \$2,829 in the hole.

Shaun: that's a grant. What I'm trying to get the board to do, you don't see what gets spent which is wrong. I'm trying to get all this grant money in the budget, the budget should be adjusted when we get additional revenues so you'd have a statutory obligation to review that. In the past that wasn't the case, things would go into funds and you wouldn't see them.

Woman Speaker: is that kind of like when we didn't have funding to keep a cop on from mid night to 8 on Tuesdays and Wednesdays and Jeff found funds to cover that. It was a couple of years ago but there was a thing that a police budget got cut.

The Chair: I think that was when a few police officers were getting deployed and there was a hole because there wasn't people to replace them.

Shaun: There have been discussions about cutting the police budget. But anyways back to what I was saying – the objective here is to put as much in here for you folks to see as possible. I've had some success getting the board to agree to that.

Ms. Ranfos: don't accounting rules apply to what goes on this? I know with the school with somethings, when we get grants, it ended up getting buried in the expenditures. Isn't it really the accounting roles or the DRA that drives what goes into those?

Shaun: No, the DRA gives appropriations and then they have the accounting rules on how these budget lines how they're supposed to fit, what particular line. I'm trying to get the board to allow me to make adjustments to the budget so you can see where that money is all the time.

Woman Speaker: why are they fighting you on it?

Shaun: the feeling is that people aren't going to understand it and they're going to get confused. Yes this is a complex budget and it's confusing but I'd rather have them confused than have the information not available. To me that is the wrong way to do business.

Woman Speaker: if they're trying to stop it from being there they're trying to hide something

Shaun: yeah that's my view, it's not that they're trying to hide it. It's always been on the fore front. If you look at the stats sheet you're supposed to review all the spending of the town, not just the stuff in fund one but the stuff in fund four as well. And 3.1 million was spent and nobody over looked it but me and it shouldn't be that way.

Ms. Ranfos: so fund four would have a similar expenditure report like this?

The Chair: how do we demand that?

Shaun: you'd have to ask your board of selectman

The Chair: So I'd have to go to a select board meeting and ask that?

Shaun: I think it could be a letter to show all funds

Ms. Ranfos: how many funds are there?

Shaun: three

Ms. Ranfos: if we're reviewing everything that's going in and out of the town we should be able to see everything that's going in and out of the town.

Shaun: that's my view of it too.

Carol: Shouldn't this be transparent of what's going in and out of the town? I would think on a town level where we see what's coming and what's going and if we have a question then we can discuss.

Shaun: they're not trying to hide anything, if you look at the audit, you can see the money that's spent each month. However it's very difficult to read and hard to understand for someone who isn't an accountant. I spent 3.1 million and no one looked at what I was doing at all...

Woman: what did you spend it on?

Woman1: wasn't that a grant though?

Shaun: it is but you should be able to see where that's going. Hopefully they're going to allow us to adjust that after March 14th. The budget is \$3.9 million and it will get adjusted by \$12,800 more.

Male: so it will be in the negative

Shaun: it won't be negative, what you'll see happen you'll see in the budget \$12800 and if we spend the \$12800 it will just be 0.

Male: so if you put all the grant money that comes in fund one after town meeting, the vote, we could vote for that \$3.9 million budget and then at the end of the year really spend \$4.6...it didn't come out of tax payers pockets or property taxes around town.

Shaun: yes

Male: because that's where tax payers are going to get confused, when they voted on the 3.9 million budget and then see the end of year budget of 4.5

Shaun: if you look at the 2016 budget it's over \$4 million and you voted in \$3.8

Woman: so from a minutes perspective do you need motion for an agreement that Keith sends the list?

Carol proposes a motion that Keith the Chairman sends a letter to the Board of Selectman, sewer, and school board to get expenditure and revenue reports for the town, sewer, and school. Kris Seconds the motion. All in favor, none opposed.

The Chair: we need to be more involved in some stuff that's going on. If you look back we've had five meetings a year and it seems that January meeting goes to deliberation sessions then we don't meet again until April and then we meet once may twice and then we don't meet again until the fall because we don't meet in the summer. If you look at these expenditure and revenue reports and you look at the other things on the agenda that I have that are involved in the budget, we need to be more interactive with those things. To get a better handle on it, get more revenue, and lower property taxes.

Shaun: what you see going on is probably what happens in most towns. They get the fund one and nothing else, but it's not the right way to do business.

The Chair asks if there are any other questions about the expenditure reports.

Male: The expenditure report, the 2017 one, all the numbers are identical. I just need to understand how to read it.

Shaun explains.

The Chair: this year our proposed budget is less than the default, if it's voted no and it goes to default, how does the extra get put in?

Shaun: When \$160k was added in in 2014 we didn't spend it. We had a planned budget and it got put into the unassigned fund balance.

Woman: so if it was to happen again, because it's likely to, I didn't look at the difference between the proposed budget and the default budget. If it does that, is the unassigned balance in a state where we could say we have \$160k extra because they voted for the default budget, so we're going to take half of the money and put it towards the fire department.

Shaun: that's not unassigned, those are authorized expenditures. They give us \$50k that we didn't ask for we could turn around and spend that.

Woman: okay you said you typically take that extra and put it in the unassigned fund balance.

Shaun: whatever isn't spent automatically goes into that fund and can only be taken out by active voters.

Woman: okay so if that's the case whatever that amount may be, is that unassigned fund? I know you don't want to drain it too much and I understand that and I get the whole check and balances; but if we're adding an amount we didn't expect to have in there are you going to say let's put it to the voters to throw it into these projects?

Shaun: in the following year yes

Woman: right the following year because they'd have to be warrant articles and such

Shaun: no matter what happens we're looking at a very sizeable tax increase. We'll probably have cash flow problems that we haven't had in 25 years. So the ability to take the money out of that probably isn't going to be there. There's going to be a further lag on rhythms coming in even though the tax warrant is out there, the people aren't going to be able to pay it. We're already preparing emergency plans for that. So that means to take money out of there you're taking paper money out there not real money. So I'm reluctant to do that, if you look closely at the unassigned funds balance there may not be anything coming on next year.

The Chair: So you're projecting less revenue because taxes are going to be higher? You're predicting less actual revenues?

Shaun: up to a certain point

The Chair: You think the tax base is going to get too high and tax payers won't be able to pay their taxes and we're going to be lagging in that fund?

Shaun: that's why I don't want to take too much from the unassigned fund balance because that is our reserve; we have a very healthy reserve. The envy of a lot of towns, they're at 8% and we're at 17%. I don't want to get in a situation where we have to borrow money just to pay payroll, we haven't done that in 25 years and I'm not going back to that. My concern is we're going to start needing that unassigned funds balance because I need to pay the county, I need to pay the school, and I have bills that come into the town. Otherwise I have to borrow money in anticipation of taxes and I don't want to do that.

The Chair: what do you think our anticipated lack of expenses is going to be for 2016? What do you think we're going to have left over? According to this sheet it's about \$100k right now but I'm guessing there are more expenses to come in.

Shaun: there's a little bit more so it will probably be around \$80k, and that's higher than it's been in the past. We had \$16k last year and \$2k the year before.

Deb: I have a question about the school budget, I know on this new one we had a deliberative session and you actually added on a decrease of the health and PE teacher from a 1.0 to a .8. Phyllis does the work of two teachers and you cut a two teacher position to a .8 and she's the athletic director and I know she had an incentive to retire early. You're getting rid of her position but that's going to be a two person position, you're not going to be able to find a person who can do all of that.

Kris: it's not a 2.0

Deb: she worked her butt off and you'd be hard pressed to think you'll find someone to replace that in one teacher.

Kris: if you look at most of your schools it's a combine PE and health teacher, it's an easy target and most of the schools have done that. Which is exactly why we had done it, adding the health.

Deb: she was over her head when she started doing health and PE for AES and ARD and then got added health onto it. I know she was very busy and to be the athletic director on top of that, and once she's gone you're going to need to find someone to be the athletic director as well as the PE and health teacher. And to me that is a full time job not just a .8, so think that's going to come back to bite us next school board year.

Kris: remember if default passes she's in default as a 1.0, and that default is already contracted.

Deb: until we try again next year and that's going to come back to bite us later because I know how hard she works. And I know that's not a .8 position.

Kris: a lot of your PE and health teachers are .8 so we'll see how it goes, that was the recommendation from administrators.

Deb: it wasn't on the first one...

Kris: it just wasn't listed, the total savings was like \$20k so I didn't put it on the first go around I presented to you.

Deb: I just feel like it's going to come back to bite us.

Kris: I seriously doubt we're going to hire two teachers.

Deb: it's just a shame she was forced to retire early

Kris: she wasn't forced to retire early

Deb: well not forced but there was an incentive

Kris: and let me say she was not forced, it was reciprocal.

Deb: well when you tell someone their position is going from a 1.0 to a .8 what is someone supposed to do?

Chair: I don't know what you guys do in Allentown but I've been in the school system for 16 years and I see that stuff happen all the time. There is incentive for every town saying if you want early retirement let us know because we are looking at decreasing in budgets. Those things go hand in hand.

Woman: I'm just surprised it's going to a .8 between two schools

Chair: I'm not because our schools aren't that big and they only have gym once a week.

Deb: but she has health everyday

Chair: but again it's not every class has health, it's just 6th 7th and 8th so it's not like it's for 8 grades and having 24 classes a week between health and gym. You're looking at maybe 16 total, divided by 5 that's only 3 classes a day.

Kris: Phyllis also does some lunch room capacity things as well so that's not to say that her 1.0 is full time PE, health and athletic director. She does fill in as lunch room duty and bus duty as well.

Deb: She's the only one who takes over our area who's there on time. I just know how hard she works and I just don't understand how that could be a .8.

Chair: you have to eliminate the person, and you have to look at the job.

Deb: It's not about the person; I thought that was more of a full time position. And I thought it would come back next year and say now we need another teacher for this because we don't have enough; just like we needed a new kindergarten teacher or the math specialist.

Kris: we had to add the kindergarten teacher purely because of the population.

Deb: I agree with that but that teacher better be moving up with those kids because I can't stay here if taxes keep going up. I've been looking at houses in other towns, and I'm not even on a fixed income.

Male: 45 kids are they in pre-k?

Kris: no it's kindergarten, full time all day program.

Chair: Personally I think to save money at the school we need to spend money at the school. I think we need to look at one k-8 school and I think that would eliminate a lot of expenses. I think that our schools are so old and the state was going to give us 60% of funds to renovate. It lost by 20 votes and it may not have been a mistake, because when you add on sometimes it's not done right. And then you'd have to start from scratch and that cost even more money.

Deb: wasn't there a thought that there wasn't enough space to put a k-8 school?

Chair: I think it's big enough, the problem is how do you house a school while building a school? The idea of putting an elementary and middle school in town is so kids can get to school and walk to school. There's plenty of room on 28 but that means you'll be bussing half of the town rather than a quarter of the town. I think they should build the school where the fields are and move the fields to where the schools are.

Dave: the problem with that is you'll get no state funding for that. Any projections on how much it would cost to build a new school? Has anyone looked into it?

Kris: I could have sworn it came up 6 years ago on the ballot but I don't know.

Chair: that was just to expand the existing school. Concord built three schools and I think, I could be wrong, but all three schools totaled \$69 million. So it's a question of where do we draw the line at repairs to our current schools? How much money can we keep putting into these general maintenance projects along with roof repairs, sepsis removal, things that keep costing a lot of money.

Kris: unless there is matching funds, forget it. If you look at the feasibility studies those things cost money, which we don't have the money for. So this is a moot point until the federal building aid or the NH building aid comes back into play.

Carol: I remember at AES they had mobile homes for a lack of a better term, one in front that housed the art classroom and one in the back for a certain grade. And finally they got rid of them and they extended AES and put a second floor in.

Male: Page 22, health insurance and teacher retirement; basically \$91k in surplus?

Kris: yeah and it's all in the health insurance line. I asked that same question, and I got the response that there were some staff changes and plan changes.

Male: So you have \$91k surplus in the school budget?

Kris: no that is \$91k in the health insurance, they we're saying it will be \$47k in deficit.

The Chair: how's the plan on that, to bring it down to a 0 deficit?

Kris: I was highly upset that it came up in deliberative session, because we seem to see a deficit at this time every year. Things that are in that projection line, if you look at things like special education, those are projected to go 100% encumbrance and you don't know until June 30th when everything is done what everything looks like. So from a standpoint of today the budget freeze has been put on so the administrators have to come to the school board with any requests over \$500. But again this deficit is the same exact thing that we were seeing at this time last year.

The Chair: Why are there these wild swings?

Kris: because of the projections Amber has to do. Like special education, she projects out 100% of the spend because if she were to not and all of a sudden gets used...

Deb: So that's if a kid stays through the whole school year, but say someone leaves in January

The Chair: so what happens if you do go 100%? You said she projects out 100% so what happens if that is the case?

Kris: Then you're going to see the \$50k deficit come June 30th and we'll return back nothing to the town.

The Chair: How is the school board going to go ahead and resolve that deficit? How are they going to go ahead and come up with that \$50k?

Kris: We always see a deficit in January but come June it goes from a deficit to 100k + the past two years. So I can't answer that, I don't know.

Male: so the revenue comes in at the end of the year...

Kris: yeah so with the revenue report, we get such large chunks in intervals so that's why it looks like we have uncollected \$4.1 million. But it all comes in quarterly or bi-annually.

Male: what would happen on the town side if you spent \$80k more than the budget?

Shaun: the state of NH and all of its municipalities cannot over spend their budget. If they're going to do that, they have to go to court. It's the same law on the school board side as well. At the end of the year we'd have to take the money out of the unassigned fund balance. We may have to take some steps on the towns side in terms of budget freezing, and we have an appropriation of cash if the cash is not there. Again I just don't want to borrow money.

The Chair: So what would it look like for the town to freeze its budget? Is it the police, the fire, the public works, your staff and the town offices?

Shaun: we used to have this every year, an annual august freeze. So when it came time to buy toilet paper we'd have to go in front of the board of selectman. We'd have to get authorization for purchases so we'd have to call them to fill up our gas tanks at 3am, and that plan changed pretty quickly. Hopefully we're not in that spot.

Chair: when was the last time we had a budget freeze?

Shaun: Early 2000's, since then we've managed our budgets so we wouldn't have that situation.

Kris: we did the same thing at the school, we had to freeze it as well.

Shaun: the problem now isn't going to be authorize appropriation, it's going to be cash flow. If people aren't paying we don't have the money to spend, that's going to be the issue.

Chair: do you know the percentage of homes in town that are paid by the person because they own them out right verses a person who has a mortgage and the mortgage company pays the taxes?

Shaun: Kathleen can give you info because she gets those large disbursements from the bank.

Kathleen: There's a lot of mortgage

Chair: I didn't know if we were looking at 25% of the town who aren't mortgage or are we looking at 50%

Shaun: collections are very high, we do very well in collective money.

Ms. Ranfos: just because their mortgaged doesn't mean their taxes are lower.

Shaun: We'll literally drive around and you'll see bank notices on their door. We'll say you haven't paid your taxes and you'll get a ticket next week and they usually send us a check right away.

Deb: any news on that law suit? Wasn't there a law suit with the school...?

Kris: no it wasn't a law suit it was a bill proposed for the stabilization funding. The education committee tabled it. They basically have been tabling everything that had funding tied to revenues. So the answer that I got on why it was tabled was because house bills 356 which is relative to the ? cost of an adequate education, that looks like it's going to pass with amendment. So what that house bill 356 does is establish a committee to study education funding and the cost of an opportunity for adequate education.

Deb: what does that mean?

Kris: all it means is it's putting together a committee and the community doesn't have to come back until 2018.

Ms. Ranfos: they can only table it so many times can't they?

Kris: well that house bill 525 relative, that's done.

Shaun: well it's not done, the house public leadership wanted to put a clamp on that particular bill because it was predominately led by democrats. But it's not necessarily done, house finances will be looking at what can be done. There is another bill for the more affluent communities that is sailing its way through because they got less money. We'll see how far that makes it. There is some good news, house bill 413, the state used to pay 35% of retirement for teachers, police officers, and firefighters and then they wiped that out a couple years ago. This bill puts 15% of that back and that has passed the house. We'll see what happens with it in the senate, and I didn't even think it would get this far. So that's a pretty good chunk of money for the town and the school if it does make it through.

Male: I was looking at how many manufactured homes we have in this town and it's actually it's actually 5 mobile parks totaling almost 600 mobile homes. And the average value of those homes is \$50k. I know everything is done on value for taxes I just didn't know if there was a way of changing that for manufactured homes.

Deb: they don't pay for the land they only pay for the square footage of their house

Male: well if they pay for the value of their home and its \$20k the tax evaluation is \$600 a year.

Shaun: you don't look at the house; the park has to pay it the tax. They're taxed as residential properties but they also maintain their own roofs, they take out the trash, those are services we're not providing for them. Once we weigh all of that out it's not as extreme as it looks.

The Chair: and what you need to look at is they may be paying \$600 a year on their mobile homes, but they're also paying \$500+ a month on their park fees. I don't know what the number is but a percentage of that may be going to property taxes or to the school. They're also not taking off the property taxes on their federal taxes.

Male: I don't think any mobile home owner is paying \$6-10k in taxes each year

Chair: no but if you look at what their fees are, what the park pays for taxes divided up amongst the properties would tell us what they're paying. If the mobile homes were valued higher that means the houses would be valued higher as well.

Dave: Stop taxing properties and start taxing for their actual labor like everyone else in the world.

Deb: We need some businesses, like why would we put a McDonalds in? People drive through here all the time is it because the old school thinking is we don't want a McDonalds in town?

The chair: We had talked about a lot of different properties coming in here, I believe next Wednesday there's a zoning board meeting for that gas station/restaurant/convenience store up on 28

Deb: like we don't have enough of those in town already.

Shaun: That's the problem we all say we need more businesses but the second we do people are complaining about location and the business

Deb: it's old school mentality, put a McDonalds in the corner. People could get jobs and it would be a gold mine for people who drive through.

Woman: Whatever the business may be, a McDonalds or a gas station, you're still supplying revenue to the town you're still getting people jobs.

Deb: I'm not saying I don't want that, but there's a subway already, there's a couple gas stations already, why pick something that's already within a mile radius?

Chair: I guess if someone was to come in and say they wanted to put a business in our town why would we tell them no? We do care what it is, obviously we wouldn't allow a gentleman's club in town, but...

Shaun: Every time I come up with something, like the private prison, we can't have that here.

That's \$200 million and the tax base is only \$239 that's almost double our tax base. We did all the work on that and then we were told we can't have that here. Imagine if your tax payments were cut in half because of all the jobs that would supply and the hotels because people come to visit those folks.

Deb: so who's saying no?

Shaun: the older people in town who have been here forever. I'll tell you, we're looking to go a different way with the highway garage but you watch as soon as it comes out. Holiday acres

wants to add 210 manufacturing holes for 55 and older. All the economic analysis was done on that. They're going to put that on town olynn that we're about to sell.

Deb: and after a certain age they're not going to pay as much in taxes right?

Kris: yeah and it will be an increase to the schools because at 55 and older there will still be kids in those hallways.

Shaun: yeah. But you'll get the people who say we can't because you're looking at 15 kids, they'll say no can do.

Deb: what's the revenue increase?

Shaun: \$29 million

Deb: how much per kid?

Shaun: that analysis is all done and available to the public. But we'll still have people who say we can't do that

Male: when does it hit the point of depreciation on the trailers where it's no longer taxed?

Shaun: we did that whole analysis too. These manufactured hallways like the development they put in Rochester they're about the same as a stick bill home.

Male: so they don't devaluate like the current ones at 8.5% a year?

Shaun: well remember some of these are the older mobile homes...

Male: I thought these new double wide's by law they had to be assessed at 5 years they lose two and a quarter

Shaun: no we did the research on that, we asked Rochester and other communities who had these and they said that hadn't been the case at all. They said they're about the same. You watch, when that comes out we have enough money and we sell this town on land to build a new highway garage with our raised tax payer dollars. That's what we're trying to do right now, but you watch though as soon as this find out about it people will be screaming about it. We have land up there, 227 acres that's not even taxable right now that you're not getting a single tax payer dime out of.

Deb: on Manchester St in Concord that Jennsin's Mobile Park you can use the \$145 -\$150k for a new one. It's like a ranch, it's not like an old one it's beautiful.

The Chair: do you think that will be a big fight to get that to pass?

Shaun: Sure will

Chair: how does it go through or not go through? Is it through court battles?

Shaun: there will be a number of things

Deb: the 55 and older is going to be harder to argue because they won't have as many kids

Kris: then additional kids will need to be bussed because it's on that side of route 3

Shaun: so when people say we want economic development, no you don't.

The Chair: what can our involvement be in the budget process? The town will be starting the budget process again very soon, asking the police and fire departments and the sewer and highway department for their budgets

Shaun: well that won't happen until May. But if you read the selectman's agenda they've been working on a capital budget for the first time ever. The last few meetings and the next few

meetings probably until April we put that capital budget together and a lot of rich information is in there to look at. And that's critically important, the town has never had a real capital budget plan before. So when we go into the next budget process hopefully we'll have that capital plan and you'll be able to track out the next five years how we're going to spend the money on which projects and pieces of equipment. And the goal is to do that without having to raise taxes, to find ways to raise money other than raising property tax.

Chair: so as a budget committee other than the hearings that we hear in November, is there any other involvement that we can go ahead and do to be a little more tuned into? It seems like when I first got on there were some really long meetings and every person really talked about what they're spending money in. It seems as of late it's here it is, yes or no.

Shaun: I think it's important that you look at the revenue reports and expenditure reports.

Today's reports are of tomorrow expenditures. So if you're looking at those closely it will give you a better idea of what it is in the first place. So you should be doing that all year and when you see the proposal for next year you'll know where we're at.

Woman: Keith you mentioned in one of the meetings, kind of what Kris already does. So she's our liaison on the school board as well as being on the budget committee. So I guess the idea I'd go with for that would be one or two people to do this person is the person who's looking at the police budget. This one is looking at the town budget. So as a budget committee we have someone in each department.

Male: and along those lines what I think would really help is if we had a narrative from the school and we had a narrative from everyone. I think a lot of my questions are answered when I look at the town's narrative. I know what this line means because of the narrative lays it out.

Kris: I don't understand, what do you want from me for the school?

Male: Town hall whatever line, that line is written out on the narrative. How much it is and if it's a salary line its 400 hours at x number of dollars goes to pay this person for these things. If it's a supply line it spells out what it's used for. Every line in the town budget is on the town narrative. What it is, what it's used for and how much it is.

Kris: so the school has 22 pages

Male: I did it for the highway the last year I was there, and the first year sucks because you have to get through it. But the years after that all it consists of is changing numbers and maybe a few positions.

Kris: there's no way we can write out a narrative on 22 pages

Chair: would that be like the principal writing the narrative? So special ed would write out one narrative. So say when you're giving your presentation on the police department you go through and then there's a narrative from the police chief saying what these entire thing mean.

Shaun: if you look at the narrative, the town administrative narrative, all of our lines my salary, it tells you my hourly rate times the hours I work a year. If I get a raise during the year it shows how many weeks, so it breaks it all down. So you know exactly how much people get paid and how many hours they worked.

Ms. Ranfos: and this is on the website?

Shaun: yes this is a public document so this gives you a chance to look at it at least a month in advance. One of the suggestions you said was to work with department heads, you have a meeting one night with the budget committee but it happens in separate rooms. The police department, fire department, etc. and you could do it all in one night. You could go through their individual budgets in detail to get it all done. So one night, break up into small groups, then come back together as a whole and discuss

Ms. Ranfos: I think getting the details is what we're missing, when we're presented their budgets we never ask questions because we're under the impression they're asking for exactly what it is that they need.

Chair: so many of us have been on the committee for a while now we think we might understand it so we don't ask the questions that should be asked. I think to do that, and put the extra time with the sub committees is a good thing. We could also be looking for if there is any wasteful spending.

Shaun: yes and that's what you're supposed to be looking for.

Kris: I still say I can't get that for the school.

Male: Maybe delegate it to a few different people

Kris: if you look at the school expenditure report it's broken down like teacher's salaries is two lines. But then you've got SPED down there as well so again trying to get AES to do a report and ARD to do one

Male: this would save a whole lot of headache down the road

Kris: I disagree I think this is a lot of work and I don't think the business administrator is going to do it. Just no way.

Shaun: There's a lot of work but the objective is transparency. If people wanted to see where their money is spent in the smallest packets as possible to understand the budget, because it is complicated, that would be the best.

Chair: so could we try to do that Kris? Or take it in small steps? I think the biggest question we have at the school is special ed. There are a lot of things that go into special ed, is there a possibility that the principal and the special ed coordinator could get at least that part done?

Kris: so the expenditure report of special ed is \$2.1 million, and that's not transportation. So is the ask is what I'm asking them is what makes up that \$2.1 million?

Ms. Ranfos: so what they're looking for is this teacher salary obviously one is AES and one is ARD, but within that \$286k how many of those are full time teachers and what are their rates of pay. If their salary, if their per hour, how many there are, that's what they're looking for.

Chair: and not only for us, for the towns people so they can see a little bit more of that aspect. I think it would eliminate some concern and confusion.

Kris: okay I just don't want to have them do all this work and then have you guys be like okay...rubber stamp it

Chris: it's not so much rubber stamp it but if we can read it and understand it instead of these words and language being thrown at people and having them not know what it means.

Kris: I'm just confused as to what me telling you that there are 10 teachers making \$80k a year what that answer is truly going to accomplish

Chair: it's more than that, so in our special ed budget of 2.1 million there is \$800k in teacher salaries and there's \$50k because of the para's taking care of 14 kids and another \$100k in transportation. I think the breakdown of the number rather than people seeing the chunk of 2.1 million being spent will help people understand.

Kris: okay so just starting on the 2.1 budgeted special programs, I'll bring that back and see if that works.

Male: to me this is more important than that, the budget means nothing. I don't know what that line means, I don't know what half of those lines mean. Some of you may know because you're involved in the school but with this I'll know what we spent last year and what we'll spend this year and where it's going. I know it's a lot of work but I think it makes a difference.

Chair: is everyone in agreement with that, that we start off with a small section rather than have the school do the whole thing?

Carol: oh yeah

Male: I don't think it's Amber's job, I don't think Amber knows what's going on this school or that school

Kris: She's the owner of these reports

Male: I know she knows what's being spent and what line it's going to. But I think the principal in ARD knows where that's going or whoever is in charge

Ms. Ranfos: so if special needs need something before the freeze who do they go to to say I need this I'm ordering it?

Kris: SAU, all the purchase orders stem for the SAU. All the billing is done at the SAU level

Male: department heads sign a PO before it goes to the selectman or Shaun. So I would think someone in that school is in charge of the spending before it goes to the SAU

Chair: and you're right, at the district office in Nashua they pay all of our bills. I have 17 PO's I had to use and I had in one program I have 5 different accounts. Special revenue, supplies, what districts pay for, student education funds that I have to buy stuff out of. And I also sell stuff to put back in that thing. So I have to go to my boss sometimes to go ahead and ask to get something that may not be in the budget but it gets paid for out of district office. So the principal would know a lot about what's going on.

Kris: are they just giving you a verbal or are they signing a purchase order?

Chair: both. Once I reach \$400-\$500 I have to ask for it to be reopened again for another amount. So I have to ask what kind of income do you have coming in so we can balance that out?

Ms. Ranfos: what was the school presenting before?

Chair: not much more than you were presenting before

Carol: in the past both school and town does both. The presentations have been very smooth but lacks detail. But what you're doing now is a lot more detailed than what was in the past. I can see that it has gotten better.

Ms. Ranfos: If I'm approving any budget, I want to know everything that is coming into it and going out of it. If you don't know all the nits and gritties, and I understand with the school budget it's kind of ridiculous to sit down and do all of that, but that's where we were headed.

Chair: just like what Shaun has done in the town, is getting more information on these reports. That's all we're trying to do, we don't want to keep living in a way that we've always done. We want to keep moving forward.

Shaun: one of the things we did in January is our actual check book is online. Each selectman's agenda, every disbursement is on there. That's all of our money and all the money that goes out the door and people can now see that.

Mike: another example of presenting the budget and the narrative is one line item for tuition, what a big number. I think in the presentation there was only a line or two, but in that case if we were to say we have x number of students in 9, 10, 11, 12 grade, maybe how many students are we paying for special ed at PA? is there any transportation cost there?

Kris: that's not all SPED though, tuition to other districts is PA

Chair: that would be good to know though, is what we're paying. Have the district look at if it would be cheaper to send the kids to Concord High verse PA.

Kris: PA rate is \$12,500 a year. If we were to take a look at sending kids to another school it's going to increase. If a Hookset kid comes to PA they're paying over \$16k.

Chair: do you know if Deerfield and Allenstown, if we all pay the same amount to PA?

Kris: no, Deerfield doesn't send anybody but I don't think the costs are all the same.

Deb: So the town picks up the tuition to PA when it's the parent's choice to send them there?

Kris: because Hookset has a lot of different choices, Pinkerton, PA, Central. It's because there was a big fight a couple years ago between the school board and the town.

Chair asks if there are any other questions. No other questions are posed.

Chair asks if there is any old business that needs to be discussed. Nothing stated.

Chair asks if there is any new business that needs to be discussed. Nothing stated.

Chair states that the Budget Committee will meet March 16, 2017 which is two days after the election.

Motion. Fran made a motion to adjourn. Deb seconded the Motion. There was no further discussion. All was in favor.

The Chair declared the meeting adjourned.

TOWN OF ALLENSTOWN
Budget Committee
16 School Street
Allenstown, New Hampshire 03275

Signature Page

Original Approval:	
KEITH KLAWES, CHAIRMAN	DATE

Amendment Approvals:		
Amendment Description:	Approval:	Date:
	<i>Keith Klawes</i>	9/21/2017
	KEITH KLAWES, CHAIRMAN	DATE