

TOWN OF ALLENSTOWN
Budget Committee
16 School Street
Allenstown, New Hampshire 03275
January 14, 2017

Call to Order.

The Allenstown Budget Committee Meeting for January 14, 2017 was called to order by the Chair at 9:01AM.

The Chair goes over rules of procedure before the meeting begins. He states that everyone should remain professional and polite and to also raise your hand and wait to be called on if you'd like to address the committee. Once you're called upon please state your name for the record.

Invited Guests:

Selectman, Sewer Commission, and the school board

Introductions:

Budget Committee: Mark Wilder, Fran Severance, Dave Coolidge, Fern Bissionette, Chad Pelissier, Deb Carney, Keith Klawes, Tiffany Ranfos, Melaine Boisvert, Kris Ramos, Jeff Gryval, Selectman.

School Board: Tom Gilligan, Crystal Venegas, Carl Schaefer. Jody Moore, Principal Anthony Blinn

Selectman: David Eaton

Sewer: Carl Caporale, Jeff Backman, Superintendent. Assistant Superintendent Roxanne Chomas.

Sewer Presentation of Warrant Articles:

Michael Trainque presents the Sewer Warrant Articles. He starts off discussing Article number 12, regarding the proposed sewer pump station. Presently as the sewer system is set up, the Allenstown system crosses the Suncook River twice. It goes into Pembroke and comes back across into Allenstown. This has been part of the capital improvement program for many years for the sewer department to eliminate those crossings by putting this pump station in. Putting in this pump station would simplify the waste water flow metering as well as the billing. It's also suspected that the two crossing under the Suncook River are a cause of extraneous ground water flow into the sewer system.

One of the crossings comes down through Suncook Pond Estates and across the Suncook River. It goes through part of Pembroke's sewer system and comes back across the river into Allenstown on Canal St into the waste water treatment plant. The proposal is to construct the sewer line to intercept the existing flow and construct a pump station. There would be a pressure force main flow to be pumped up onto Library Street down to East Webster Street to Main Street where there's an existing dry force pipe that was installed several years ago as an early stage of this project. As it stands right now the force main would be on the same lot as Suncook Pond Estates. This is all subjected to negotiation with the property owners.

This pump station building is roughly 20ft wide by 26ft long and will store pumps, motors, emergency generators for power outages, HVAC electrical. They would give this architectural treatment, particularly because the location it's proposed to be in is in a residential area. (Showed a few examples on the screen)

There are a few options on funding; the first is to go through the state revolving fund loan program. This is a loan program that is administered by the NH Department of Environmental Services. The interest rate is 2% no matter how long the loan term is, and they are looking at around a 10 year term for the loan. The other option would be to go through the Municipal Bond Market. The rates are 3.4% but expressed that those rates can vary. Once they have all the numbers whatever looks most favorable in the long term is what they will do.

Repayment of the loans would be done by using septage hauler funds and capital reserve funds. So there's no anticipated impact on the tax rate or on the sewer users. At a 2% interest rate for a 10 year term, the repayment would be roughly around \$180k a year.

End presentation and opened it up to questions. No questions were asked.

Article 13 is for funding and development of an asset management program from VUEWorks. It's the second phase of the asset management development. Asset management is a structured process or program of operating, maintaining, upgrading and placing infrastructure. In this case, specifically sewer infrastructure that would include the waste water treatment plan. There are several reasons for doing this, it's highly encouraged by both the EPA and the DES. It's a huge investment in this entire infrastructure for waste water. You have the sewer system, pump station, treatment facilities, millions of dollars in investment. The federal and state agencies are trying to drive and incentivize maximizing the life of these facilities by coming up with this asset management system. That will not only help prolong the life of the facilities but minimize the cost. The asset management system is basically just answering a bunch of questions, what do I own? Where is it located? What condition is it in? What are the risks of failure? What are the consequences of failure?

A key part of asset management is preventative maintenance, whether it's machinery, treatment equipment, gravity sewers. Preventative maintenance to make sure everything is functioning and

maintaining a certain level of service. Financial planning is a key part to this as well, every asset has a useful life to it. An important question is when does it need to be replaced?

There are a lot of benefits to implementing asset management, prolonging the life of these assets, protecting the investment of these assets, providing for better decision making in the sewer department, meeting customer demands and meeting the level of service on a long term basis. It can also be planned accordingly as well as budgeted for accordingly for any replacements or preventative maintenance. Also it meets regulatory requirements, helps maintain desired levels of service, improves emergency response, and improves security and safety of the system.

The funding for this is a bit unique; this also goes through the state revolving fund loan program. However in this case they're offering 100% forgiveness of principal of the loan. This in essence becomes a grant for 100% of this project. This is up to \$30k. So there will be no cost to the town, tax payers or sewer users. The DES is doing this to incentivize to develop these asset development plans.

End article 13 discussion. Opened it up for questions. No questions were posed.

Articles:

The chair states that Article 12, the Suncook Pond waste water pump station project, to see if the town will vote to raise and appropriate the sum of \$1,616,000 gross budget for the purpose of financing the cost of engineering and constructing the Suncook pond waste water pump station. To authorize the issue of not more of \$1,616,000 of bonds or notes in accordance with the provisions of the municipal finance act, RSA 33. To authorize the select board to apply for and to accept federal, state, or other aid if any which may be available for said project and to comply with all laws applicable to said project. To authorize a select board to apply for clean water, state revolving fund CWSRF loan. To authorize a select board to negotiate, sell and deliver said bonds and notes and to determine the interest there on and other terms thereof. And to authorize the select board to take any other action or to pass any other vote relative there to. Without impairing the general obligation nature of the bonds or notes, it is intended that the repayment of the bonds or notes including any CWSRF loan shall be paid by sewer funds. Recommended by the board of selectman, recommended by the budget committee.

The chair states that Article 13 sewer asset management project, this article does not impact the tax rate. To see if the town will vote to raise and appropriate the sum of \$30k gross budget to defray the cost of planning relative to public facilities through the previous establish asset management plan development for the Town of Allentown, waste water and collection treatment system. And to authorize the issuance of not more than \$30k of bonds and notes in accordance with the provisions of the municipal finance act RSA 33. To authorize the select board to issue and negotiate such bonds and notes and to determine the condition and the rate of the interest there on. And to further authorize the select board to offset a portion of said appropriation by applying for clean water states revolving funds and being understood that

repaying of the loan funds will include up to 100% principal forgiveness of an amount up to \$30k. A condition of approval of this article being repayment of any remaining loan balance to be paid by the sewer funds. And further that the Allenstown sewer commission shall pay any remaining outstanding balance and applicable interest in the full from said sewer funds. Honor before the date that the first payment of the loan related to the CWSRF is due. And to authorize a select board sewer commission to take all other action to carry out and complete the project. 3/5 ballad vote required, recommended by the board of selectman, recommended by the budget committee.

The Chair states Article 16 the fire safety capital reserve fund; this article does not impact the tax rate. To see if the town of Allenstown will vote to raise and appropriate the sum of \$10,000 to be added to be added to the fire departments capital reserve fund previously established. This sum to come from the unassigned fund balance. The majority vote required, recommended by the board of selectman and recommended by the budget committee.

The chair states Article 17 the library capital reserve fund; this article does not impact the tax rate. Majority vote required. To see if the Town of Allenstown will vote to establish a library capital reserve fund under the provisions of RSA 35:1 for construction and repairs of the library. To raise and appropriate the sum of \$10,221 to be placed in this fund, the sum to come from the unassigned funds balance. Further to name the library trustees as agents to spend from said fund. Recommendations required, majority vote required; recommended by the board of selectman, recommended by the budget committee.

The Chair states Article 18 the highway garage capital reserve fund; this article does not impact the tax rate. To see if the town of Allenstown will vote to raise and appropriate the sum of \$10,000 to be added to the highway garage capital reserve fund previously established. This sum to come from the unassigned fund balance, the majority vote is required. This is recommended by the board of selectman and the budget committee.

The chair states Article 19 public safety facilities capital reserve fund; this article does not impact tax rate. To see if the Town of Allenstown will vote to raise and appropriate the sum of \$10,000 to be added to public safety facility capital reserve fund previously established. This sum to come from the unassigned fund balance, majority vote is required. This is recommended by the board of selectman and the budget committee.

The chair states Article 20 the highway equipment capital reserve fund; this article does not impact the tax rate. To see if the Town of Allenstown will vote to raise and appropriate the sum of \$5,000 to be added to the highway equipment capital reserve fund previously established. This sum to come from the unassigned fund balance, the majority vote is required. This is recommended by the board of selectman and the budget committee.

The chair states Article 14 town operating budget. To see if the Town of Allenstown will vote to raise and appropriate the operating budget, not to include appropriation by special warrant

articles and other appropriations voted separately the amount set forth on the budget posted with the warrant or as amended by vote of the first session for the purpose set forth, totaling \$3,924,683. Should this article be defeated the default budget shall be \$3,953,626 which is the same as last year. With certain adjustments by previous actions by the town of Allenstown or by law or the governing body may hold one special meeting in accordance with RSA40:13 x and xvi to take up the issue of the revised operating budget only. The estimated tax impact is approximately 11 cents per \$1000. This warrant article does not include appropriations of any other warrant article. It is recommended by the board of selectman and the budget committee.

The chair states the sewer operating budget, this article does not impact the tax rate. Shall the town of Allenstown vote to raise and appropriate as an operating budget for the Allenstown sewer commission, not including appropriations by special warrant articles and other appropriations voted separately, the amount set forth with a budget posted as a warrant as amended by vote of the first session. The purpose set forth there in totaling \$2,192,252 should this article be defeated the default budget shall be \$2,219,419, which is the same as last year with certain adjustments required by previous action by the town of Allenstown or by law. Or the governing body may hold one special meeting in accordance with RSA40:13 x and xvi to take up the issue of a revised operating budget only. Note this warrant article operating budget does not include appropriations in any other warrant article. It is recommended by the board of selectman and the budget committee.

Review of Town Budget:

Presented by Selectman Grevel (?)

As stated in the warrant our budget proposed a 1% increase in spending, the board of selectman has decided to link any increase we have and the consumer price index. This year the consumer price index as gone up approximately 1% and you'll see that same 1% increase in our budget. It will also equate to a level 7 tax increase.

Usually after the elections in March we start looking at what direction we're going to go in. By early spring we have that direction in line, this year on May 23rd we issued our directions. There were two main directions, one priority of the wage classification system. We talked about this last year as we implemented it into the police station. A lot of reasons are pertaining to that such as retaining qualified help, and to bring in qualified people at a rate that they should be at. The second directive was to keep spending at a rate of increase with the consumer price index at 1% but also to keep the level of services that our citizens have grown to expect.

Consumer Price Index

Town appropriations is linked to the consumer price index. There was no link between the way spending was done and the cost it was to live. We did try to bring spending down, however 2014 was an anomaly, the only year that our budget was voted down and the default budget took over.

The default budget was considerably higher than what was asked for, and at the end of the year that money was turned over to the unassigned funds balance. So for years ahead with the linking of the spending with consumer price index you'll be able to predict exactly what we've spent and where your money is going.

Wage Classification System

The wage classification system that was implemented, for the first time there was no increase for the cost of living for our employees. However with the implementation of the classification system about half of the employees will receive wage increases. That's due to where they are in the system as opposed to where they should be. The other half fit in to where they belong so they did not see an increase in pay. Our wage classification system is based off of 2014 data, we're going to work on updating it in the coming years.

Health Insurance

There is an ongoing committee that is looking at healthcare spending. In 2016 the SBRTA was made up of all the towns lining the Suncook River, what they brought back to the board was the recommendation to change the HMO to a HMO site of service plan. The major difference there is with the HMO we had all of our employees were going to different doctors, but with the HMO service place there are designated doctors that they have to use. In most cases the doctors didn't change at all so the employees were okay with the change. They haven't heard any negative feedback on the change of the plan. With the change of service they were able to reduce the cost of health, the premium went up by 6.7% but since this plan is cheaper than the one we were on there will be an over reduction of healthcare cost to the town.

There has also been a healthcare reimbursement plan for employees, which is another way to help them pay for their healthcare costs. Overall the cost of healthcare has gone down.

Retirement

Retirement system rate increase is something we have no control over but you'll see it has quite an increase to the budget. Employees in group 1 the clerical employees, the non-uniform police people such as secretaries. The town hall staff has gone up by 1.88%, police group 2 has gone up by 11.56%, and fire group 3 has gone up by 9.36%.

Taxes Outstanding

Over the years the board has gotten a lot more aggressive about collecting unpaid taxes. We have .1% for 13, a little bit for 14, and more for 15 but working hard to get that money collected.

Tax Rate History

You'll see the spike in 14, that year was an anomaly. Now that we're trying to link our spending to the CPI you'll see how we've started to level out. Last year we predicted a 13 cents increase,

our predictions are very conservative, and we never want to miss that mark. But as you can see it was only 5 cents. This year we're predicting 11 cents conservatively, but this time next year it may be something less than that.

Taxes Committed

Represents how much money will be raised by your property taxes to run the town, school and county. Right now we're at \$8,700,544.

2017 Objectives

Downtown redevelopment, we have 4 project scopes. One is what can be done to improve the housing. What might be available in grants to help spruce up the downtown housing? Looked at economic development issues as well, to bring people in that will fit within this community. We have a meeting scheduled in February with the people over in Pembroke to discuss issues we have in common in this downtown area. Another scope is connectivity, getting people to get out and walk around. Maintain the sidewalks, keeping them open in the winter, putting in bike paths. There's an old railroad path that could be converted into a bike or walking paths. We also talked about skating rinks and skateboarding parks for recreation. Another scope is road projects, such as the paving of Deerfield road, from Highfield Drive up to Mount Delight. And River Road phase two projects, this will put the finish coat onto the road. Another scope is security, specifically email encryption, we've all heard about hacking and we're subjected to that as well. We're trying to keep all of the town's information as secure as possible, police records, bank records and so on. Highway facility is also a main objective we have, we need a facility replacement, and ours now is beyond repair. We have a committee on that and they have some ideas of what they need for a facility. Also we need to maintain and train all qualified personnel in all departments, we lost a person from our town hall staff and to replace with a temp cost us a lot. To replace and train a police officer is up to \$40k now so it's very important to maintain the personnel we have.

Capital Projects for the Five Year Plan

Our five year plan put the highway facility right at the very top; this is something that we want to see done. The fire station has an issue with carbon monoxide and we need to fix that. The town hall is a very old building; we've been working on projects to keep it in good condition. Such as pointing the bricks and fixing the cracks. There is wood that needs repair as well as fixing the gutters and fixing the rear employee parking lot. We're also looking to put in LED lighting in the fire and police department and the town hall. Webster Street and Witton Street is on the list of road work, as well as Deerfield Road up to the state marker; from the state marker up to Clearview. Library Street and Webster Street have a sewer department initiative as well. Also Elm St, Reserve, Willow, and Theodore Ave are main objectives. Funding plays a big part in all of this, we're unaware of what we're going to be able to afford to do so this is subject to change. The breathing masks for the fire departments are up for replacement. We started putting money

in a few years back and we have a little over \$100k now and one of the warrants is to add another \$10k to that fund.

End Review of Town Budget. Asked if there were any questions, no questions were posed.

School Budget

Presented by Kris Raymond

We are presenting an increase of \$208k over the default. Last year we heard from both the parent and school community that there was a high level of frustration of level funded budgets that had 0 increases. Every time teachers would retire we would not back fill them. We asked the administrators to present an optimal budget on what they felt would help the burden of the teachers and support staff of both schools. Then we worked on reducing items we felt could be passed off to out years or eliminated altogether. A school board purposed budget of \$10,392,853. There is a tax burden that comes along with this but we're not the only town that has seen increasing taxes due to the school. On the revenue side, there is decreasing school revenue which impacts the tax rate as well.

The number of students the Allenstown budget supports is pre k- grade 12 ages 3 to 21. Of that there are 570 students paid for within this budget. There are over 200 students at AES, over 150 students at ARD. Over at PA we have 179 students, and over at Pembroke Academy, Alternate Skills, Pace Academy, and out of district placement is 24. Approximately 20% of the Allenstown students have been identified as having special needs.

We have three kindergarten classes this year, enrollment was about 45 students. Because of the high level of enrollment we added that third classroom making each classroom an average of 15 students. Over at AES an average class size is about 19 and at ARD an average class size is 21.

Allenstown Elementary has been designated as a title one school, a school in need of improvement. There is over 40% or greater in poverty.

Allenstown is part of NH Pace, this is not in relation to the Pace Academy on Rt 28. This is the Performance Assessment Competence Education. It assists the town of Allenstown to get onto a competency based education system, such as Pembroke Academy.

A new position has been added to the school district, it is a math specialist. The SBAC results (new NECAPS) shows 63% of the Allenstown students are below the math achievement level.

Proposed by the school board of increases are increases in staffing, a new kindergarten teacher due to high enrollment levels, a math specialist due to low math scores, and a new special education teacher to keep things internal rather than having to send the kids out of district.

Tuition to other districts – we saw an increase of the students we were sending up to Pembroke Academy. We had \$128k increase there. Tuition to Pace Academy also went up, it's budgeted to

have 40 students there and Allenstown has the highest number of students attending Pace. It showed an increase of \$42k.

The five school districts voted to add a physician to the SAU level, that title being the Director of Curriculum. This position is designed to take a look at the five schools curriculum and try and get those kids all on a level playing field so when they enter Pembroke Academy they're all on the same education level.

Also added in two positions for early retirement, this is also an increase in cost. The goal of this is when you backfill these positions you can fill them with less costly teachers. Fill them with newer teachers who aren't as costly as a tenured teacher.

The NH retirement system had an increase that went from 15.67% to 17.36% for the teachers. The health insurance increase this year was a very modest 3.2%.

There were a few decreases that were proposed in the 17-18 budget. They removed a media specialist and that was a position that was reduced from 1.0 to a .5 in last year's budget. That position couldn't be filled so they removed it all together. So instead we took the Technology Integrator teacher position that had a .8 and we made her a full 1.0 so she is certified to do both positions. We also removed a secretary position, and we did a change in the spent secretary position. We also had a decrease due to the SRO, the 16-17 had it in the budget and this year we took it out. We had moved that over to a warrant article.

Both paraprofessional and teacher's contracts were up for renewal this year. Article 2 is the teacher contract and that is seeing a 17-18 increase of \$75,276. The only change in the teacher's contract is they were given a 1% increase and this is a three year contract. For article 3 that is the paraprofessional contract, this is a three year contract, and they were also given a 1% increase. And year one impact is \$27,186. Article 4 is where we're putting a warrant article for the SRO position.

Asked if there were any questions.

Judy Silva: You mentioned the increase in kindergarten students; I know other towns are having a problem with that as well. Could you tell me how Allenstown is trending with that?

Ms. Raymond: This year is certainly trended up, but I'll ask Mr. Bloom to take this one.

Mr. Bloom: Previous years we've seen 30-35 students and this year we're a lot higher. (couldn't hear the rest) I can only speak to the enrollment of AES (rest was muffled)

Judy Silva: Could you mention again the Pembroke Academy what we're...

Ms. Raymond: So the current 8th grade class today

Male Speaker: The current 8th grade class has been fluctuating; it's about 45-50. We will have an increase next year as we get the fourth graders.

Judy Silva: I guess my question is in Allenstown in the past we've been able to say we've had more students going or less students going to Pembroke...

Ms. Raymond: I believe we'll have more students going, it was an increase in this year's budget because last year's graduating class was 39 students.

Tom Gilligan: So the current enrollment we're aware of at PA and Pace is 194 students total. What you do for next year's projection is you take your 8th grade population and you use that to project them moving up. One of the major issues this school district has is a very high transient population. So when families move in, regardless of the housing they move into, your town is required to provide them education. So if they're here for a week, a month, six months, we have to send them to one of the four public schools. That number moves all the time so we can't give you a hard number. Our budget is based off the number of students enrolled by October 1st but that number changes weekly.

Andrea DuShane: Can you explain the Pace Program and is the tuition cost the same as Pembroke Academy?

Karen: The students that chose to go to Pace, it's a public charter school, it's part of the student choice. The current tuition for Pace for Allenstown is 80% of the cost per student. So if you're paying \$12k at Pembroke Academy then it's 80% of that. That number does change however, from the current numbers I believe it's going to go up for this coming semester.

Andrea DuShane: Is that an application you have to fill out to be accepted there?

Karen: Yes, but it's a public charter school so enrollment isn't based on past exams or anything. It's based on you live in a town in NH and you're entitled to go there unless they're full then in that case there is a waiting list.

Andrea DuShane: So what's the tax rate?

Ms. Raymond: The tax rate is on page 16 of the packets – the school board proposed tax rate is \$4.49, and that's an all in cost. That is including the para and teacher contracts as well. This is also before surplus as well, not that we can predict surplus, but the town has had a history of returning back surplus. This \$4.49 is not reflective of the surplus.

The Chair: At Thursday night's budget committee meeting, the budget committee had reduced the school budget to a \$10 million proposed budget. I know the school board hasn't had time to act on that yet and put that recommendation in or not.

Male Speaker: The recommendation is going to be no there's no doubt about that. Do you have the tax impact for \$10 million flat that you can share?

Ms. Raymond: yup it's also on page 16, so that's the last column on that spreadsheet of \$2.58. So you're aware the warrant article 1 in your packet shows the 10 million that Keith said. But the tax impact for the NBC budget is also on that page 16.

Male Speaker: additionally I'll just give you the numbers, the default budget amount would be \$2.81 per \$1000. The impact using our proposed budgets without any warrant articles is \$3.74. I also have the certified and non-certified contracts as well. So the collected agreement with the certified union (teachers and certified staff) for a 1% increase year after year is 31 cents on its own. And the impact for the paraprofessional is 11 cents.

The Chair: If I'm reading this correctly the \$10 million budget impact would be \$2.17.

Ms. Raymond: that's for the operating budget only of \$10 million you add in the para contract and the teacher contract brings it up to that \$2.58.

Male Speaker: Tom you didn't mention article 4, the SRO.

Tom: that's 33 cents

Chair asks if there are any other questions.

Judy Silva: How was the default budget put together?

Amber Wheeler: So we take the prior year budget and anything that is given back or we're obligated to pay we'll be in consideration.

Male Speaker: the default budget from last year, if you're looking for a percentage of an overall increase is 3.7% which is obviously very high. But if you look at the original proposed school board budget it was a 6.3%. Of that 3.7% made up the default budget portion of that.

Andrea Dushane: Do we have a plan b if the resource officer doesn't go through? Will the DARE program be gone?

Male Speaker: We've been trying to hire a resource officer all year long and we're unable to. As it turns out the number of certified DARE officers are slim to none. We tried contracting with Pembroke, Merrimack county and Rockingham County sheriff's office without luck. So the plan b would remain the same, just continue down the path of trying to find a certified DARE officer to fill that need. We're unsure if we'll have a DARE program this year because we're running out of time but we're trying.

Male Speaker1: This warrant article never got brought before the Select Board; we only saw this on Wednesday. There are still somethings I'm confused on, such as the \$84k appropriated for that position. First of all we're not really sure where you got the \$84k from, secondly it talks about a three year contract between school district and the town. And we actually don't have a contract with the school district, and the school opted out of that contract. Which they have the

right to do, they did that about a year ago. I'm not sure what this \$84k will cover. As I stated to get an officer trained it's about half of that to begin with. Anyone hired as an SRO is part of the police department. We have no money set aside for training, to train this person, to uniform this person, to provide a vehicle for this person. We were caught a little bit off guard by this so maybe you could enlighten us?

Male Speaker: Certainly, the \$84k amount was factored by taking the previous proposed amount from the town which was \$78k, all in including benefits. We took that and looked at what it would be for this year which would be that \$84k. After a lot of conversation and guidance from DRA and the school district's attorney we've been advised many times that we cannot legally pay for any services from a contracted service outside of the school district year; if the services are only being performed only during the school year. What that translates into to is the amount that we proposed, the \$84k, is for salary and all benefits for 10 months out of the year. As much as the town wants us to pay for the full year we've been heavily advised to not, so we're following that guidance.

Male Speaker1: what do we do with this person the other 3 months out of the year? We don't have money in our budget to support this person.

Male Speaker: the difference between the town and school boards fiscal year is that our fiscal year starts on July the 1st. The services that the officer would be giving begin at the end of August when school begins. Let's say this warrant article passes this March so the appropriation is approved. We begin to pay for that officer let's say August 25th, our budget would carry us all the way through say the second maybe third week in June. The new budget for the town for the next fiscal year gets presented in March of 18. Theoretically your spending starts in January of 18, if this warrant article was approved you would have from this March until next budget season to pick up the need to appreciate that money from the last two or two and half months in your next budget. So this is looking ahead not looking back, and I understand that the board of selectman probably doesn't support this. But that's the whole difference between the \$84k now or in 17 versus in our fiscal year which is July 1 – June 30.

Male Speaker1: I understand and the Board of Selectman definitely supports having an SRO, we're just hesitant of this warrant article because of the way the funding was put forth. As you stated there is a difference in our fiscal years, however this passes in March. We will have to go out and start the process of hiring an SRO which will come under our 2017 budget which we have no money for. It costs about \$42k from the time we begin looking for that officer to the time we deploy them on the street. With an SRO there's additional training behind that which we haven't had the chance to get the fees for that; which we have absolutely no funding for, and I don't know where that money is going to come from. Something will have to be cut if you pass this article. Secondly the process is long, it's a minimum of 9 months and longer for an SRO because of the additional training. If this begins in March and we're able to get the process going next day which is nearly impossible, but if we could you're looking at sometime in early 2018

before this officer even gets into the school system. So we believe that's not the best interest of our children or your tax dollars. Also we're very concerned about the fact that this is a one year deal. It's extremely hard to find officers that want to be SRO's. It's hard to get that right person. Once you find that right person who's going to want to take a job that's only funded for one year? What we've done in the past is we've put it into the budgeted money on the town's side for the summer months, and the school budget on their side for the school year months. So the person who had that position had some security. Another question for the school is why did you take that out of your school budget this way making that job kind of powerless for someone to take?

Male Speaker: the school district did respond to those concerns previously, if the warrant article passes the school district will sign a three year contract. On the school board, 100% of us, have said that we support the SRO and we intend to support the funding. We realize we can't bind them unless it's in the budget and we wanted to protect the baseline salary and staff items within the budget because we assumed there would be cuts. We didn't want to burden of requiring the school district to employ and pay for an SRO if our budget is cut. I think everyone would agree that it's more important to have classroom teachers teaching students than it is to have an SRO. That's why we did it the way we did.

No further discussion or questions.

School District Warrant Articles

The Chair reads Article: Shall the Allenstown vote to raise and appropriate as an operating budget not including the appropriations by special warrant article and other appropriations voted separately. The amount set forth on the budget posted with the warrant or as amended by vote on the first session for the purpose set forth there in totaling \$10 million. Should this article be defeated the operating budget shall be \$10,148,208 which is the same as last year with certain adjustments required by previous action of the Allenstown school district or by law or the governing body may hold one special meeting in accordance with RSA40;13x and xvi to take up the issue of a revised operating budget only. Budget committee has recommended for approval the school board still needs to revisit since the amounts were changed as of Thursday. Note: the warrant article one operating budget article does not include warrant article number 2, 3 and 4.

Warrant Article 2: Shall the Allenstown school district vote to approve the cost item set forth in the collected bargaining agreement reached between the Allenstown school board and the Allenstown teacher association for the 2017-18 2018-19 and 2019-20 fiscal years. Which call for the following increases in salaries and benefits at the current staffing levels. Year 2017-18 \$75,276, year 2018-19 \$65,304, and year 2019-20 \$64,786. And further raise and appropriate the sum of \$75,276 for the 2017-18 fiscal year set some representing the additional cost attributable to the increase in salaries and benefits required by the new agreement. School board and budget committee recommend approval.

Warrant Article 3: Shall the Allenstown school district vote to approve the cost items set forth by the bargaining agreement reached between the Allenstown School board and the Allenstown Paraprofessional association for the 2017-18, 2018-19, and 2019-20 fiscal years. Which calls for the following increases in salaries and benefits at the current staffing levels. Year 2017-18 \$27160, year 2018-19 \$24022, year 2019-20 \$23945. And further raise and appropriate the sum of \$27160 for the 2017-18 fiscal year set some representing the additional cost to the increase in salaries and benefits required by the new agreement. School board and budget committee recommend approval.

Warrant Article 4: Shall the Allenstown school district vote to create the position of School Resource Officer for the 2017-18, 2018-19, 2019-20 school year. In agreement with the town of Allenstown and furthermore to raise and appropriate the years cost of funding the position of \$84k. Note the SRO will be employed by the town and contracted to the school district for the school year. The agreement reached between the town and school district is for three years, 2017-18, 2018-19, 2019-20. The costs of years two and three will be submitted to the school district vote for approval for each year. The majority vote is required. The school board recommends approval and the budget committee does not recommend approval.

The Chair clarifies that there is no agreement between the town and the school district.

The Chair opens up for questions.

Ms. Ranfos: I want to make sure I'm understanding this correctly, with these warrant articles being 1, 2, and 3 being all separate the budget committee has recommended that we cut the budget to an even \$10 million. Which does not include articles 2 3 or 4. So if any of these articles pass they automatically are added into the budget, even if the budget is still only at \$10 million. So that money has to come from somewhere within that \$10 million budget?

Multiple people: no it's added to it, so it becomes \$10 million plus \$75k plus \$27k plus \$84k. It becomes a tax increase.

Woman Speaker: So how many teachers are included in this \$75k?

Male Speaker: We can get you that answer I don't have those numbers here. The calculation is based on current staff and their current step level. So similar to how the town presented the salary matrix, that already exists in the teacher's and paraprofessional bargaining unit. It's based on two things, their tenure and all of their certifications.

Tom: If the SRO article gets approved this year and the town and school board can't come up with a contract I'm assuming no one will try and hire someone. If that can't happen what happens next? So that money goes back into the school budget so the school board can use that money for whatever purpose they want.

Shaun: No it would have to be used for the purpose of that warrant article.

The Chair: Going back to the question of how many teachers there are, there are 44 certified teachers. And the paraprofessional number is 29.6. You may ask how do you get .6? We have multiple positions that are not full time so they would be .2.

Mr. Coolidge: If the SRO warrant article passes, are you folks going to be responsible for the \$42k and the other fees that come along with training this officer?

Mr. Gilligan: We would not try to burden the town with the fees for a teacher and we wouldn't want to burden the town for an officer either. Keep in mind it is not an employee of the school district and what that means is it is a fully trained officer and the police department gets to use that officer any time they deem necessary in an emergency situation, to cover evening shifts, to cover vacations. So we wouldn't pay for anything that we wouldn't be able to reap the benefits from. Like in years past we've come to an agreement that they're police officers first, they get DARE certified and Monday through Friday from roughly 7am-3pm during the school year we'd expect them to be an SRO. But outside of that time they will be at the beck and call of the police chief.

Male Speaker: I agree with Mr. Gilligan that is how our contracts are always done in Allentown. The problem as we see it is in 2017 we do not have the money to start hiring, training, uniform, guns, give them a police car. We don't have it in our budget. Last year we were unable to work out an agreement, I think it's great that the school wants an SRO but we don't have the money for it.

Mr. Coolidge: I think someone should figure out exactly, dollars and cents, what it costs to train someone, the SRO training on top of that. This is a number I think the citizens should know, we're not just talking \$84k we're talking \$100k+

Male Speaker: I agree with that, it's something we should have done prior to these meetings. We only saw this on Wednesday so we had no interaction with the school board. This is their warrant article and we have nothing to do with it.

Mr. Coolidge: how many other towns have SRO officers?

Woman Speaker: One district has one but they're currently unavailable.

Judy Silva: How could it be the default budget if this is a new position(hard to hear)

Woman Speaker: because it's contractual

Woman Speaker1: This is the SAU curriculum not the math specialist

Judy Silva: But this is a new position for the SAU...

Woman Speaker1: it has already been voted on.

Male Speaker: The SAU board, which is made up of the six towns. If that SAU board, that we have a seat on, votes this increase, you either have to vote out of the SAU or you assume those costs out of your own budget. That is the Allenstown portion of the cost.

The Chair asks if there are any further questions. No further questions posed.

The Chair: Has it been thought about to look at hiring a retired police officer who won't need those trainings and would be looking for something part time or contracted?

Male Speaker: We've encouraged the chief to look at retired officers, but most retired officers aren't really looking to work in schools. It's very difficult to find someone to come in on a part time regular police officer basis, so we have explored that possibility because that would be ideal.

The Chair: Could we look into the National Guard or the NH Reserves to bring in and teach the DARE program and be that authority figure?

Male Speaker: From the DARE perspective it doesn't have to be a police officer, they just have to be certified to provide the DARE education. We've never prescribed that it has to be a police officer, however we full appreciate and agree with the recommendation to have it be a police officer. There are multiple aspects of the SRO position that have nothing to do with DARE, they can affect become out truant officer, and they can be our SME and our program provider on bullying. There's also the whole mentor aspect, having a police officer in the school district is someone kids can look up to. Ultimately it comes down to a security aspect, we discussed things after Sandy Hook and we agreed that having a police officer in the school who's trained to deal with those situations on an immediate basis is for the best. We felt and still feel that a police officer is the best to fill that position. But for the DARE aspect we're open to retired police, active sheriffs, someone is who's certified and a good fit for our district.

Woman Speaker: Although I understand and appreciate the need for an SRO a concern of mine is the fact that \$392k was cut from our budget and there's not any question of what that looks like for the school and children of this town. The only thing we added into the budget that was additional was the math specialist and that's because our current students have no algebra. There is no algebra program in place, which is a huge concern. And \$392k is a significant cut of teachers and programs. I just wanted to put that out there because that's catastrophic.

Male Speaker: We can speak about what cuts were made, again since we were only presented this on Thursday we're looking at 5-5.5 positions needing to be cut. Where we would start with those cuts is the existing kindergarten teacher that we added, that teacher would follow those students up to grade one. We'd cut the new math curriculum director and teacher, the impact of that is not only getting the kids on the right track of math scores it's also providing basic algebra in class instructions. Some kids at ARD don't have that math specialist and they're one on one

interfacing with the algebra teachers at PA. If you remember to middle school you learned algebra or pre-algebra before you moved into high school.

Mr. Coolidge: When was the last time you laid a teacher off?

Male Speaker: When we have people who retire we don't backfill those positions so we don't have to lay someone off and impact their families and the community that they live in. The answer is last year we did that; we do it year after year when teachers retire and we need to make a staffing cut. While you're seeing the addition in this budget, we're trying to come up to speed in the needs of the district.

Same Male Speaker: We currently don't have any in classroom language teachers or language experience. There is no foreign language taught in Allentown, period. So in this world and economy we are way behind. In the proposed budget we had included a half .5, part time, to teach foreign language. Such as French and Spanish or maybe French and maybe Mandarin. However that will be cut. When you talk about special education you're talking about the special education teacher who at the beginning of the year started at as a .5 FTE.

Now with special education it's another one of those mandated programs that if you have a student in your district you need to provide services to them. We can either provide those services in Allentown, make that half time special education teacher full time, and they can provide those services to more than one student. If we cut that position, which we'll probably have to, we'll have to send those students who need those extra services out of district. That also costs money, and the way we're trying to mitigate that is as the special need population continues to increase we try to provide those services in district because it's an overall savings to the community.

There are two additional teachers that make up the 5 5.5 that will have to be laid off. We have not made the decision on those yet but of course the way we work with the bargaining units those will all be driven by tenure and contracts. There will be two existing full time teachers that will need to be cut or could be cut to reach that \$392k. Again we haven't met on this but since we've crunched the numbers between Thursday and today that is what we've come up with.

Tom: It doesn't there have to be that many staff members cut. I went through the budget all day yesterday and I cut the budget down to \$10 million just by putting added increases into line items back to what they were funded at last year and got to the \$10 million plus. The only staff member position I cut was the new math specialist. And speaking to the math specialist, years ago we had algebra and we had kids leaving the school district and going up to PA into algebra 2. Based on the teachers we had at the time, so if we're not able to instruct algebra I think we need to take a look at who's teaching that and what we're doing with them. We used to be able to do it before so I don't understand why we can't do it now. We have a responsibility to educate our kids but we also have a responsibility to the tax payers.

Male Speaker: I think we're forgetting that regardless of any new staff ads, in order to meet the default budget which we have to because we have the same obligations like retirement and health insurance. Also as you know we had a hit in the state adequacy money, forget the \$10 million, the number we have to meet, without any cuts, is an additional \$184,208. So it's nice that the \$10 million can get us to that number, but I don't think he's added in the \$184,208 to cover our existing obligations.

Male Speaker1: Can you speak to the adequacy money and how that's going to affect us from here forward? Because this is not a one year deal, this is something that's going to continue to cost us.

Woman Speaker: The reduction and stabilization of 4% each year over 25 years is going to impact you year after year. There is current legislation being proposed to reverse that decision, we just got the language for that bill yesterday. We'll all be attending many hearings to speak on behalf of all of our districts that are impacted by that.

Male Speaker1: If that legislation can't be changed what is that stabilization, what's the total for Allenstown?

Male Speaker: For this year the total reduction and aid that we saw is, just the adequate education grant, \$26,105. But in addition for the other state appropriated and distributed funds the state education taxes are down \$3,724 so that's a loss of revenue. The catastrophic aid was down \$6473 and the Medicare funding that we get because those students require those services, is down \$25305. So if you add that all up, we'll call it \$60k.

Male Speaker1: Total at the end of the day with the stabilization bill, how much is today's budget. The \$10 million or whatever we're asking for, comes from that?

Woman Speaker: with the stabilization and the adequacy aid which is on the revenue report, it shows \$26k difference and some of that difference it shows smaller than reality than what it is. And that's because we had to compare what happened at ? So if you were to compare what we had for actual in 2015-16 to what the deal is now, it's actually \$240k decrease. It's pretty substantial.

Male Speaker1: it is; what is the total part of the budget that comes from that? Is it \$2 million that's going to be eliminated because of this legislation? Over 25 years...

Male Speaker: It's going to be around that because it's a level 4% but it could be little more or it could be a little less. All based on a number of factors.

Mr. Coolidge: What are they basing that 4% on?

Male Speaker: I have no idea

Woman Speaker: That's the number we were given and that's the number that was passed.

Male Speaker: My fear is that this is a way to come up with a state income tax. This education issue is not new, and I think this is a roundabout way to get rid of all of that adequacy. Then to come up with funds for these programs we're going to need a state tax.

Mr. Coolidge: we're you aware of this legislation? It was passed a couple of years ago wasn't it?

Woman Speaker: we were only told very recently.

Woman Speaker1: we didn't even see the numbers from DOE until November.

Mr. Coolidge: so everyone was in the dark about this? It has to be affecting everyone

Woman Speaker2: not everyone is impacted by this because they don't get stabilization funding. Out of the SAU the five towns there are two towns impacted, the other three are not.

No further questions or discussion.

Male Speaker: Just a reminder town meeting will be here February the 4th at 9am if it's a snow day it's going to be Wednesday at 6pm here as well. Voting will be on March 17th, school will go first and then the town.

Deb: I have a comment...I've always supported the schools, I joined this district to help the schools. It really bothered me to vote the way I did on Thursday but I cannot afford \$100 more a month in my mortgage so I voted because I couldn't have the \$600k increase that the school wanted, I didn't agree with a lot of things like I don't agree with the math specialist. I didn't vote the way I wanted to, I didn't want to make the cut as low as it was but I couldn't vote for the \$600k more than it was. I feel like every year the school tries but this year they just blew it out of the water with a huge increase and before we know it it's going to be \$40 -\$50 per \$1000. It hurt me to vote the way I did but I can't afford it, and I'm not even on a fixed income. I work full time my husband works two jobs. So for the record I think a lot of us voted in a way we didn't want to but don't have any other choice.

The Chair: thank you everyone – the budget committee please stay.

Shaun: Everyone turn to page four, appropriates prior approved by DRA. You'll see the same thing on the school budget, that is the budget that was passed by the voters for 2016, last March. That is the only thing that can go in there. Every year the budget gets adjusted, if the selectman has new money comes in or taking money out of the capital reserve funds. We make adjustments to that line. We start the year with one number and it's different by the end of the year. If you look at your expenditure sheets, it's like \$4 million something and the voters approved \$3 million something and it's over \$4 million now. So that brings us to the \$6,792,000. If you look at prior expenditures its \$6,520,000 so a person would look at that and say they over spent their budget, but that is not the case. This form is horrible because the citizen is supposed to read this and understand what's going on and that does not do that for them.

The sewer department budget, before we put down the amount of money they were authorized, this tells you what they really spent. They spent the \$2,502,000. It hasn't been asked yet but I'm sure someone will ask how much is left in the 2016 budget. Your expenditure report shows \$254k that doesn't count for encumbrances. So right now what's left in the 2016 budget is about \$50 out of that \$4 million budget. We're not all done paying our bills yet, and we won't be until the first of March. There will be a very small number left over at the end of the year, which you should know. It's your job to be watching us to make sure we don't do anything inappropriate, so I wanted to make sure you understand that.

Mr. Coolidge: Did you make any phone calls at the office about these?

Shaun: Sometimes not very often, there aren't many I wish there were more. We put a lot of information on the website; it was probably overwhelming for most people. This is not a great form for everyday people.

Chad: On the revenue side on the bottom of page seven, more revenue was issued this year than last?

Shaun: We always anticipate our revenues low, when I post the budget they're always lower and they've always come in higher. It's irresponsible to put them higher. You at the end of the day are liable for that number.

Chad: I see what you mean when the estimates are low, but I see that the bottom line is higher, we're assuming that the sewer bond?

Shaun: The sewer revenue came in higher. And now we count for that. He's talking about the actual revenues brought in right?

Chad: I see the 1.646, that's the actual number we're asking for that one warrant?

Shaun: yes, that's a bond.

Chad: but the rest of these numbers are estimated to be slightly lower than last...

Shaun: Yes, they have usually come in 16-20% higher than what I project but you never know what's going to happen. Like one year we projected too high on the amount of vehicle registration, luckily we had other revenue that accounted for that but that is something we don't want to happen. We don't want to be short money, that's when bad things happen. Even to make budget cuts at the end of the year is difficult because you've already spent a good portion of the money. Or you have to have a special town meeting to raise additional funds and that won't go over well.

Ms. Ranfos: So the 1.646 that is on the revenue that is the amount of article 12 the \$1.6 million plus that's article 13. What happens if that weren't there yet we're putting it on our 2017 budget of Allenstown.

Shaun: because you're predicting that amount of revenue to come in, if you don't do the project you won't spend the money. We have to project both sides where the revenues are going to come in. We have these revenue projections right now and we set the tax rates, we will go back in, and the school district will do the same thing, it's usually in August or September, and then we put in more updated revenue numbers and that is what the tax rate is based on.

Chad: so your projections are about \$400k less than last year's actuals...

Shaun: yes but remember a lot of that is sewer revenue too

Chad: right the majority comes from that

Shaun: you didn't see that before now that's in our budget because we do their accounting. If you look at the end game we have to raise \$50,700 more in taxes in 2017 than we do in 2016 based on everything that we have today.

Mr. Coolidge: has it always been like 6 month lag in between, like when we come up with our budget we're basically guessing at everything and then the state comes out and tells you what your tax rates are.

Shaun: of course there are a lot of things that influence that...

Mr. Coolidge: I understand that but if we were to work in conjunction with them so everyone starts on the same date.

Shaun: Remember now the MS1 is the evaluation of our prior and that's not done until May. There are a lot of pieces that go into that, the cutting budget isn't done then either and that affects the tax rate as well.

Mr. Coolidge: Where do you see that going?

Shaun: 13 cents. So you're looking at a 4.84% increase in taxes, it's been flat the last two years. That's going up 13 cents based roughly. We told you 13 cents last year and it ended up being 5 cents because I always project high. Who knows what will happen next year because we'll have a new state budget too. So we don't know about rooms and meals tax, we don't know about anything else. We'll have to wait and see. It's a very complex system.

Passed around documents to sign.

No new business.

Deliberative session on February 4, 2017 and another meeting in February 16, 2017.

Motion. Dave made a motion to adjourn. Mark 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:	
<i>Keith Klawes</i>	9/17
KEITH KLAUES, CHAIRMAN	DATE

Amendment Approvals:		
Amendment Description:	Approval:	Date:
	KEITH KLAUES, CHAIRMAN	DATE