

**Municipal Budget Committee Virtual Meeting  
16 School Street  
Allenstown, New Hampshire 03275  
September 17, 2020**

**Call to Order**

The Allenstown Municipal Budget Committee meeting of September 17, 2020 was called to order at 6:08 pm by Chair Keith Klawes.

Chair Klawes read the following statement:

As Chair of the Allenstown Municipal Budget Committee, I, Keith Klawes, find that due to the State of Emergency declared by the Governor as a result of the COVID-19 pandemic and in accordance with the Governor's Emergency Order #12 pursuant to Executive Order 2020-04, this public body is authorized to meet electronically. Please note that there is no physical location to observe and listen contemporaneously to this meeting, which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, I am confirming that we are using a conference call line and Zoom video conferencing. We are also going to attempt to use Facebook Live. All members of the Budget Committee have the ability to communicate during this meeting through one of the platforms, and the public has access to listen and participate by dialing 603-485-7321, password 1234. For Facebook Live, tune into the Town of Allenstown Facebook page and look for the LIVE video.

We previously gave notice to the public of the necessary information for accessing the meeting, including how to access the meeting using Zoom or a telephone. Instructions have also been provided on the town website's Budget Committee page, attached to the agenda for this meeting. If anybody has a problem, please call 207-595-0310 or email [d.goodine@allenstownnh.gov](mailto:d.goodine@allenstownnh.gov). If the video begins to lag, or there are rare audio issues, please call the conference line to listen to the meeting. In the event the public is unable to access the meeting, we will adjourn and reschedule. We will only adjourn if the conference call fails to work. The meeting may be paused if the video links fail and a quorum of the Committee is needed on the conference call.

The meeting will start by taking a roll call attendance. When stating your presence, please also state whether there is anyone in the room with you during the meeting, which is required under the Right-to-Know law. We will try to capture people remotely attending the meeting – conference line first and then Zoom participants. We ask that Facebook Live viewers type their names into the comments box so we can capture you or attendance.

**Introductions**

Present on the Committee: Keith Klawes, Melaine Boisvert, Bobbie Laflamme, Julie Keane, Matt Pitaro, Robin Richards, Mike Juranty, Deb Carney, Maureen Higham, Selectboard Representative; Kris Raymond, School Board Representative

Excused: Tiffany Ranfos

Unexcused: Carol Angowski, Jim Rodger, Jeff Venegas

Allenstown Staff: Derik Goodine, Town Administrator; Debbie Bender, Finance Director

Chair Klawes called for the Pledge of Allegiance.

**Election**

○ **Vice Chairman**

Ms. Raymond nominated Melaine Boisvert to serve as Vice Chair of the Municipal Budget Committee. Chair Klawes seconded the motion.

A roll call vote was taken on the motion.

Bobbie Laflamme	Aye
Julie Keane	Aye
Matt Pitaro	Aye
Robin Richards	Aye
Mike Juranty	Aye
Deb Carney	Aye
Kris Raymond	Aye
Maureen Higham	Aye
Keith Klawes	Aye
Melaine Boisvert	Aye

Voted unanimously in favor.

○ **Secretary**

Chair Klawes nominated Robin Richards as Secretary of the Municipal Budget Committee. Ms. Boisvert seconded the motion.

A roll call vote was taken on the motion.

Bobbie Laflamme	Aye
Julie Keane	Aye
Matt Pitaro	Aye
Robin Richards	Aye
Mike Juranty	Aye
Deb Carney	Aye
Kris Raymond	Aye
Maureen Higham	Aye
Keith Klawes	Aye
Melaine Boisvert	Aye

Voted unanimously in favor.

**Expense Reports for Town**

Ms. Bender stated that the 2019-2020 budget came in close to what was expected.

Chair Klawes asked if the operating budget balance of \$245,419.34 is leftover funds.

Ms. Bender replied that it is, though \$27,550 was encumbered; it was spent this year from last year's budget.

Ms. Boisvert asked if this is the balance after funding the capital reserves.

Ms. Bender explained that the capital reserve funds are not part of the budget. These are from warrant articles approved by the voters.

Chair Klawes asked how much of the \$245,419.34 is real surplus money.

Ms. Bender said that when the audit is done and the books are closed, the DRA completes its calculations and recommends a tax rate. At this point these funds go into the Undesignated Fund Balance and then can be used to reduce the tax rate, fund capital reserve accounts, or left in the Fund Balance

Mr. Pitaro asked if there were any other amounts like the \$27,550 which will come up.

Ms. Bender said there are no others.

Chair Klawes asked if the BOS had given any directives for the budget process this year.

Ms. Bender said that she would like to add that \$245,419.34 is only five percent (5%) of the total budget, and is a reasonable amount, given that they do not want to overspend. She said that she and Mr. Goodine have looked at the current budget and have started on the 2021 budget. The reports she printed for this meeting are mid-month reports, she said, and for future meetings, she will print month end reports. At this point, she said, they should have about 30% of the budget left. The Highway Construction Services line shows a large amount, she said, because they have been cautious due to the uncertainty surrounding the pandemic. Mr. Goodine and Mr. Pelissier, the Road Agent, have been talking, and they may work on a couple of roads this fall before it is too cold to do paving. This is the most obviously skewed line, she said.

Mr. Pitaro referred to page 2 and asked about an account labeled FIN COVID Reimbursement, showing an expense of \$70,800.

Ms. Bender said that these are expenses for which they are going to attempt to be reimbursed. Police and Fire stipends are not included here because they are handled separately by the state.

Ms. Boisvert asked about three accounts on page 2 – Finance, Planning & Zoning, and Welfare, which show COVID expenses.

Ms. Bender said that some of these expenses have been reimbursed, and these reimbursements go to Revenue. She said she will check with Trish Caruso on the Welfare line.

Mr. Goodine said that the US Treasury recently made some changes in the reimbursement rules, so completing that paperwork has been a challenge. He also said that the Governor had concerns about towns not getting all of their COVID reimbursements, so it was decided that portions of police and fire payroll should be reimbursed.

Ms. Raymond asked Ms. Bender if she keeps track of how much revenue is coming in attributable to CARES so that they kind of have a sense in terms of what might help out the tax rate setting come this year.

Ms. Bender responded that CARES and stipend revenue are in account #01335910. An exception is Fire Department grant revenue in the amount of \$1,000 which is not related to COVID.

Ms. Raymond asked for the total they should be thinking of.

Ms. Bender said reimbursements so far total \$39,583.00.

Ms. Raymond asked what amount of reimbursement they are expecting come, end of 2020.

Mr. Goodine responded that it would be \$110,000.00 if the Town gets its total allocation.

### **Revenue Reports for Town**

Chair Klawes asked about 2019 revenue. Is it over or under?

Ms. Bender said that revenue is over their expectations. Interest Revenue and Building Permits were higher than expected. Several other revenue accounts were slightly higher than budgeted. The amount by which revenues exceed budget will go into the Undesignated Fund Balance.

Chair Klawes asked if, using round numbers, he adds the \$245,000 of savings on the expense side to the excess revenue of \$350,000, that would be the total going into the Fund Balance.

Ms. Bender said that was correct. She said they budget revenue conservatively. Allenstown's fund balance is in a higher range, as compared with other towns.

Mr. Goodine said his goal is to keep the tax rate as level as possible during the next few years of uncertainty.

Mr. Raymond noted that the School doesn't have a fund balance. They must spend allocated funds or return them.

Chair Klawes asked about 2020 revenue thus far.

Mr. Goodine said the Property Tax Interest is a concern. This revenue source is only at 21% of budget at this time. Motor Vehicle revenue is tight but looks okay.

Chair Klawes asked Mr. Goodine to explain Property Tax Interest.

Mr. Goodine said this includes revenue from interest on both current year and past year unpaid property taxes.

Ms. Bender reminded the Committee that the second tax bills will be due in December.

Mr. Goodine said that State Highway Block Grant revenue is expected to be down because it is based on the gasoline tax. The Meals & Lodging revenue should come in as budgeted this year because it is based on the previous year's tax revenue. However, it will probably be 50% less next year – down 50% to about \$110,000 from \$220,000.

Chair Klawes asked about Allentown's situation as compared with other towns. He said that in the recent years, they have done a good job of keeping the tax rate level, versus having it go up and down.

Mr. Bender said she doesn't think communities are panicking. Most have a 'wait and see' attitude. The biggest concern is 2021-2022. She said that, because New Hampshire relies on property taxes as opposed to income and sales taxes, that base is more secure and steadier. Allentown, she said, is lucky to have a high fund balance. That is very important.

Mr. Goodine said he can foresee a problem if people just get sick of wearing masks, especially as we enter flu season.

Ms. Boisvert asked where property tax revenue is shown.

Ms. Bender explained that property tax revenue is not budgeted, though revenue from interest on late payments is budgeted. She said that Tax Collector Kathleen Pelissier reports property tax payments are on target. She told Ms. Boisvert that she would get her a report on property tax payments on Monday.

### **State of the School**

Ms. Raymond reported that the School had surplus funds from the 2019-20 budget, so \$225,844 was allocated to various capital reserve funds via warrant articles, all of which were approved by the voters at the March 2020 election. She said they did a really nice job in terms of those warrant articles. She listed them as follows: \$50,000 to set up the School Renovation/New Building fund; \$50,000 to the School Maintenance fund; \$50,000 to the Special Education fund; \$50,000 to the Technology fund; and \$20,000 to the High School Tuition fund. She said that they closed out the Facilities Acquisition fund and rolled that balance of \$5,843 into the new School Renovation/New Building Capital Reserve fund. Since they have no Fund Balance, they put \$75,000 into retainage, to have on hand for emergency expenses or over expenditures. For FY 2019-2020 the School returned \$183,059 to offset taxes.

Chair Klawes asked Ms. Raymond to explain retainage.

Ms. Raymond explained that they are allowed to keep up to 2.5% of the current surplus. If it is not used, it is returned to the Town. It can be spent only if they are or will be at a deficit.

Ms. Raymond continued, saying that FY 2019-2020 was the School's first year to receive the extra funds from the state. FY 2020-2021 is the second year. The Education Funding Commission was established last year and has taken a long look at the school funding situation in New Hampshire. They are still working through the process. The Commission outsourced its research to the American Institutes for Research, and the first draft was received on September 10, 2020. The final report will be complete in December, and its findings and recommendations will be given to the new legislature.

Ms. Raymond said that the school year has just started, so expense or revenue reports would not be meaningful.

Ms. Raymond reported that the Joint Tuition Committee concluded that there would be no savings from sending our kids over the Three Rivers. The Committee was disbanded. Two applications were submitted to the Department of Education, meeting the deadline of July 1, 2020. She said that the submission of two applications was unheard of, but they were accepted for review. One application was for a new K-8 building on land to be acquired. The second was for the renovation of AES as a K-8 building. The land to be acquired has since been sold, she said. They must have only one application by the end of December, she said, and only one proposal can be on the March ballot. The School will hold Community Forums on October 21<sup>st</sup> and 22<sup>nd</sup> – one will be in person and the other will be a virtual meeting. These sessions will inform residents of what is being considered, and they will also gather comments from residents. The State will pay 60% of the cost of whichever plan get approved. Therefore, 40% will be bonded. Ms. Raymond said that Ms. Boisvert has done an incredible amount of work on this project

Ms. Boisvert stated that the New Building/Renovation Committee has resumed meetings and will be meeting next Monday, September 21<sup>st</sup>, at ARD. She encouraged everyone to attend.

Chair Klawes posed a question: If other grants are sought and received, will this reduce the amount from the State?

Ms. Raymond responded that it would not. The State will fund 60% of the construction costs.

Ms. Boisvert asked how the re-entry to school was going.

Ms. Raymond said it is fantastic. They have a hybrid program whereby the students are in two groups – Cohort A and Cohort B. The first group goes to school two days and learns remotely for three days for one week. The next week that group goes to school three days and learns remotely for two days. The second group reverses that two-week rotation. Teachers report that it is going smoothly and the students are happy to be back in school. At this point, the only concern is that the windows will have to be open in the winter. Having received \$160,000 in CARES funds, they have purchased heaters. The first day of school was September 9<sup>th</sup>. The teachers had one full day without students to prepare.

Ms. Raymond stated that all students at ARD have Chromebooks. They do not yet have one-to-one devices for AES but will be able to purchase more with CARES Act funds.

Ms. Raymond said they didn't use a lot of funds for repairs this year because they didn't want to spend money on ARD if the voters might approve a new building at the Town Election in March.

### **State of Town**

Mr. Goodine reported on development activity in Allentown. The China Mill renovation is one vote away from RSA 79-E approval, he said. This will grant a six to seven-year property tax exemption on the \$21 million project which will bring 150 market rate apartments to this historic building. That project led to the \$16 million Assisted Living facility, which is taking advantage of our local tax incentive to receive a 50% property tax exemption for the first two years, 40% for the next two years, 30% for the fifth and

sixth years, 20% for the seventh and eighth years and 10% for the ninth and tenth year. Mr. Goodine continued, saying that a new proposal would bring a couple of fast-food restaurants and a strip mall to a parcel at the end of Route 28, with a plan to relocate the man-made pond on the property. Another development in the early stages is a proposal for a community center which would host weddings and other events. He and Mr. Monahan of the Central NH Regional Planning Commission have had a discussion about this project. In total, he said, they are looking at adding 20% to the town's property valuation within five to seven years, which would include a lot of spin-off benefits. Mr. Goodine said he does not know if all of this development will strip state funding for schools, but this added property tax revenue should help to offset the effects of the pandemic. He added that the town is hurting for land suitable for commercial development.

Mr. Goodine next presented a budget update. He said that his goal is to try to keep the tax rate level. He noted that Tri-Town EMS used some of its fund balance last year to reduce by about \$80,000 the amount that Pembroke and Allenstown each paid to support the service. That will not be available this year. And, based on a three-year ratio of the calls for Allenstown versus those for Pembroke, he said, we might be paying about one percent more.

Chair Klawes said that they were prepared for the adjustment and understood it was one-time relief.

Ms. Boisvert asked about the number of bedrooms for the 150 China Mill apartments.

Mr. Goodine said they have one, two and three bedrooms.

Chair Klawes asked what had changed since they were proposing one and two bedrooms.

Mr. Goodine said that their market studies must have indicated a need for three-bedroom units.

Ms. Raymond said that a lot of people are working from home and an extra room is needed for a home office. Initial studies said that the development might result in ten or eleven new students, but that number has been revised to two.

Ms. Boisvert asked about imposing school impact fees.

Mr. Goodine said that the town is working toward developing an ordinance for that, but it is not complete.

Ms. Boisvert asked about the property tax impact of the strip mall.

Mr. Goodine said this is in the early stages, so he does not have a figure for that yet. It could be about \$5 million.

Ms. Boisvert noted that Mike Frascinella is doing a great job with community development.

Mr. Goodine agreed, saying that his projects, including the town signs, are getting us noticed.

Ms. Boisvert said that Allenstown is in a housing boom.

Ms. Raymond said that it hasn't stopped. She thought COVID would slow it down, but it has not.

Mr. Goodine stated that, in order to attract commercial and industrial development, people need places to live. The town has limited rentals and is challenged by the amount of land taken up by Bear Brook State Park. Surprisingly, he said, the village is considered to be densely populated.

Ms. Higham said she hopes the proximity to the sewer plant isn't going to be a problem for the China Mill renovation. Odor from the plant could be an issue.

Ms. Raymond said that the concerts put on by the Economic Development Committee have been great. She noted that the school kids have been attending. She added that it will be interesting to see how the outdoor movie works.

Ms. Boisvert said that a lot of great things are happening in Allenstown.

Mr. Goodine reported that he has not been able to get on Facebook Live, though he has tried six times.

### **Review of Meeting Minutes**

Ms. Laflamme made a motion to approve the minutes of the May 21, 2020 meeting as written. Ms. Keane seconded the motion.

A roll call vote was taken on the motion.

Bobbie Laflamme	Aye
Julie Keane	Aye
Matt Pitaro	Aye
Robin Richards	Abstained; not a member at the time of the meeting
Mike Juranty	Abstained due to absence
Deb Carney	Abstained due to absence
Kris Raymond	Aye
Maureen Higham	Aye
Keith Klawes	Aye
Melaine Boisvert	Abstained due to absence

Voted in favor.

Ms. Higham said that she attended the February 20, 2020 meeting, but her name is not listed under the roll call.

Chair Klawes said that he would add her name.

Ms. Higham made a motion to approve the minutes of the February 20, 2020 meeting as amended. Mr. Pitaro seconded the motion.

A roll call vote was taken on the motion.

Bobbie Laflamme	Abstained due to absence
Julie Keane	Aye
Matt Pitaro	Abstained; not a member at the time of the meeting



Robin Richards	Abstained; not a member at the time of the meeting
Mike Juranty	Aye
Deb Carney	Aye
Kris Raymond	Aye
Maureen Higham	Aye
Keith Klawes	Aye
Melaine Boisvert	Abstained due to absence

Voted in favor.

**New Business**

○ **Budget Season**

Chair Klawes presented for discussion some possible changes to the budget review process. He said the Select Board has suggested that they review the department budgets jointly. They would meet on two or three Saturdays, perhaps starting at 8:00 am and working until about 2:00 pm. He said this should be a smoother process. As they usually do, he said, they could start with a big budget, such as Police or Fire. When there is free time between presentations, Mr. Goodine could fill in with the smaller budgets. He asked Mr. Goodine when the department budgets would be ready.

Mr. Goodine said they are basically ready now.

Chair Klawes asked Ms. Raymond about what the School would prefer for a presentation.

Ms. Raymond said she doesn't want to bring school personnel in on a Saturday, so they prefer to make a Thursday evening presentation.

Chair Klawes said he is looking at October 24<sup>th</sup>, November 7<sup>th</sup>, November 14<sup>th</sup> and November 21<sup>st</sup>. He then noted that a lot of kids' sports activities are finishing on October 24<sup>th</sup> and perhaps they should begin on November 7<sup>th</sup>. They could conduct budget reviews on November 7<sup>th</sup> and 14<sup>th</sup> and then have their regular Municipal Budget Committee meeting on November 19<sup>th</sup>. They could skip over November 21<sup>st</sup> and use Saturday, December 5<sup>th</sup> if needed.

Mr. Goodine said they could meet at the Community Center to allow for social distancing. Those wishing to attend remotely could use a Zoom connection. He cautioned that use of the conference line at the Community Center could result in long-distance charges.

Ms. Raymond, looking ahead to the Deliberative Session, said that ARD has bandwidth issues which they are hoping to resolve. The School Board recently voted to expand the bandwidth. Also, the Wi Fi password has been reset, and has not been made public, so attendees would not be able to use their cellphones.

Chair Klawes stated that he might have to reschedule the October Budget Committee meeting because of a conflict with parent conferences.

**Adjournment**

Mr. Pitaro made a motion to adjourn at 8:02 pm. Ms. Carney seconded the motion.

A roll call vote was taken on the motion.

Bobbie Laflamme	Aye
Julie Keane	Aye
Matt Pitaro	Aye
Robin Richards	Aye
Mike Juranty	Aye
Deb Carney	Aye
Kris Raymond	Aye
Maureen Higham	Aye
Keith Klawes	Aye
Melaine Boisvert	Aye

Voted unanimously in favor, and the meeting was adjourned.

DRAFT