

Municipal Budget Committee Meeting
Community Center
8 Whitten Street
Allenstown, New Hampshire 03275
December 12, 2019

Call to Order

The Allenstown Municipal Budget Committee Meeting of December 12, 2019 was called to order at 9:09 am by Chair Keith Klawes.

Chair Klawes read the following statement regarding authorization to hold the meeting electronically due to COVID:

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 the meeting is being held at the Allenstown Community Center. Space is limited and we ask that non-members and people not presenting please RSVP with the Town Administrator at 603-485-4276 X112 to make sure there is a safe space for your attendance. You can join on Zoom Conference Call, which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, I am confirming that we are using Zoom and Zoom Video Conference Call for this meeting. For Facebook Live, tune into the town's Facebook page and join the Live Video. All members of the Budget Committee have the ability to communicate contemporaneously this meeting through one of the platforms, and the public has access to listen and participate contemporaneously by dialing 646-558-8656. The meeting ID is 872 0008 5249 and the passcode is 121220.

We previously gave notice to the public of the necessary information for accessing the meeting, including how to access the meeting using Zoom or telephonically. 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.

In the event the public is unable to access the meeting, we will adjourn and reschedule. We will only adjourn if the Zoom conference platform, which is the official platform, fails to work. The meeting may be paused if the video links fail and a quorum of the Budget Committee is needed on the conference call. The meeting will start by taking a roll call attendance. When each member states their presence, please also state whether there is anyone in the room with you during this meeting, which is required under the Right-to-Know law. We will also attempt to capture people remotely attending the meeting. We ask that Facebook Live viewers type their names into the comments box, so we can capture your attendance.

Chair Klawes called for the Pledge of Allegiance and asked attendees to remain standing for a moment of silence for Richard Hinch, the newly-elected Speaker of the NH House who died this week.

Introductions

Present on the Committee: Melaine Boisvert, Vice Chair; Tiffany Ranfos, Keith Klawes, Chair; Carol Angowski, Matt Pitaro, Robin Richards, Secretary; Jeffrey Venegas, Michael Juranty, Jim Rodger, Sewer Commission Chair; Debra Carney, Julie Keane, Kris Raymond, School Board Representative; Maureen Higham, Select Board Representative

Select Board Members Present: Scott McDonald, Maureen Higham (also ex-officio representative to the Budget Committee); Sandy McKenney

School Department Members Present: Shannon Kruger, District Principal; Peter Warburton, Superintendent; Amber Wheeler, Business Administrator; Michael Sacharko, Special Education Coordinator; Kris Raymond, School Board Chair & School Board Representative to the Budget Committee;

School Department Members mentioned but not present: Karen Guercia, Assistant Superintendent and Christopher Motika, Curriculum & Instruction Coordinator

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

School Budget Presentation

Ms. Raymond began her budget presentation, telling the Budget Committee members that budget binders had been prepared for all of them. She directed them to a copy of her PowerPoint presentation and a spreadsheet with all budget numbers in the inside front packet of the binder. She listed the other members of the School Board: Vice Chair Jody Moore, Carl Shaeffer, Jamie Moore and Crystal Venegas.

Ms. Raymond stated that the first Warrant Article is the Operating Budget in the amount of \$11,457,385. The second, with an amount to be determined, would be for a brand-new school building on a brand-new piece of land. She said that Community Forums had been held in October and November as the town considered whether to pursue a new K-8 school or to renovate the existing elementary school, AES. The DOE had accepted applications for both projects, but in November, they had to decide which one to pursue. She said that the School Board met after the November 19th Community Forum and voted to move forward with a new school building. Between the October and November Community Forums, she said, there was quite a bit of movement on a 59-acre parcel of land on River Road. The School had robust discussions with the current owner of the land, and Superintendent Warburton is now negotiating a Purchase & Sale agreement. The land, she explained, is across from the LaValley Farm. It is flat with no rocky ledge. Ms. Raymond stated that the total cost of the project is estimated at \$32,499,560.00. A DOE contribution of 60% would cover \$19,499,736.00, leaving the town with \$12,999,824 to finance.

Ms. McKenney asked if the 60% from the State is definite.

Ms. Raymond said that it is not definite.

Ms. McKenney asked if there is an escape clause.

Ms. Raymond responded that there are contingencies. If the amount from DOE is low, she said, they will not be going forward.

Mr. McDonald asked if the cost estimate includes the land.

Ms. Raymond affirmed that it does.

Ms. Angowski asked if this is from the DOE Building Fund.

Ms. Raymond said that it is.

Ms. Raymond continued her presentation, addressing the School's other warrant articles. She said that they are making only three additions to their Trust Funds this year. All will be paid from surplus and will not impact the property tax rate. The School Maintenance Trust Fund, the Special Education Trust Fund and the Renovation/New School Trust Fund each will request an addition of up to \$75,000.00.

Chair Klawes asked why the School is adding to the School Building Maintenance Trust fund if they plan to build a new school.

Ms. Raymond responded that maintenance funds will be needed for the existing buildings if the second warrant article fails.

Chair Klawes asked if the funds could be put into the Renovation/New School Trust Fund instead.

Ms. Raymond said that would be a 'slippery slope.'

Chair Klawes next suggested a warrant article saying that if the second article passes, then the funds for maintenance would go to the Renovation/New School fund.

Ms. Raymond said that would be a lot of reading for the voters.

Chair Klawes said that a warrant article could be added that would change (repurpose) the maintenance trust fund.

Ms. Raymond said that is something they can do next year.

Mr. Warburton noted that, even if the new school passes, they will retain ownership of the two existing buildings.

Ms. Boisvert pointed out that it will be two or three years before the new school is completed.

Ms. Raymond next pointed out that the default budget of \$11,444,812.00 is greater than the proposed budget, and that last year's budget was \$11,159,498.00. Turning to student demographics, she stated that Allenstown has 500 students, pre-K through age 21. Last year there were 540 students. AES has 194 students, down seven (7) from last year. ARD has 153 students, down 14 students from last year and Pembroke Academy has 134 students. The remaining 19 students are in Alternative Skills, PACE, and out-of-district placement. Class size, she said, is still equal to or greater than the State average.

Ms. Raymond reported that 25%, or 126 students, are in the Special Education program, which must follow both federal and state mandates. For the first time, perhaps ever, the SPED budget shows a decrease, being \$6,447.00 less than last year. However, she said, this is a broken system.

Ms. Raymond stated that the proposed budget has no staff increases or additions. Health insurance is up 5.2%, and was up 3.2% last year. Dental has no increase, but increased last year by 3.9%. Contributions to the NHRS pension is increasing from 17.8% to 21.02%, adding \$70,000.00 for certified (teacher) staff and \$8,000.00 for non-certified staff. This is a mandated cost. Pembroke Academy tuition will cost \$145,574.00 more this year. The cost for sending Allenstown students to PACE will increase \$12,527.00 in this budget. The SAU budget is up 2%, adding \$4,636.00 to Allenstown's contribution, which covers one-fifth of the Business Administrator's salary, one-third of the Superintendent's and Assistant Superintendent's salary, one-fifth of payroll, and one-fifth of the salary of the Curriculum & Instruction Coordinator.

Ms. Raymond reported that the Allenstown School District has 83 employees, both full time and part time. The part-time employees do not receive benefits. Her PowerPoint presentation showed cost comparisons among Epsom, Chichester, Deerfield and Allenstown. She noted that the cost is \$20,000.00 per pupil, with the State supplying only \$3,700.00 per pupil, with some additional funds for free/reduced lunches, IEPs and ELL programs. Because of one-time funds from the State, the School portion of the tax rate went down \$1.71 last year. Unfortunately, she said, they expect a decrease in funding going forward. Revenue is forecast at \$5,196,389.00, she said. The only piece from the State that stays is stabilization funding. This was instituted in 2012 for property-poor towns. It started decreasing in 2016/2017, but is now being brought back up. Of the School's revenue sources, State Adequacy funding is the largest, and it has the stabilization in it.

Ms. Raymond stated that Health & Dental insurance, retirement contributions, and Pembroke tuition drive the School budget up, and these are contractual. Most other expenses are kept relatively flat. She said there were five (5) retirements both last year and this year. There are notes in the budget, she said, on the savings due to new hires.

C. Angowski asked how many positions there are under contracted services. She noted that this expense for AES is up by \$100,000.00.

Mr. Sacharko said that these are not full-time or even part-time positions. They are bits and pieces of people's time. They contract through a company called Future Insight to help students needing assistance in such areas as behavior, autism, PT, OT, vision, hearing and speech. He added that the added \$100,000.00 for AES is offset by savings in other lines.

Mr. McDonald asked under what conditions students would need physical therapy.

Mr. Sacharko said there are students with mobility issues who need to learn how to navigate stairs and participate in physical education, for example.

Mr. McDonald asked about the plan and the plot for the new school building.

Ms. Raymond said that access and egress would be on River Road, there being no frontage on Route 28.

Mr. Rodger said he assumes the town will have to upgrade the road.

Chair Klawes said that he does not see huge, packed buses.

Ms. Kruger said that some of the buses are pretty full.

Ms. Raymond said that many more students will have to be bused than are now. For K through 8, she said, they must be bused if they live a mile or more from the school, so most will be bused.

Chair Klawes said that there would be savings in energy and maintenance costs to offset the increase in busing costs.

Mr. Rodger said there is a lot of traffic on River Road, not that he is against the school.

Mr. Richards said they might need to put in a sidewalk.

Ms. McKenney asked about the cost of the land.

Mr. Warburton said that is still being negotiated.

Ms. Raymond said that they will be able to use the same architect they have been using, and only a few minor adjustments need to be made to the earlier plan.

Mr. Pitaro asked if the Town will have an obligation for the two existing school buildings.

Ms. Raymond said that is an obligation of the School, not the Town.

Chair Klawes asked if the staff is comfortable and has the materials they need.

Ms. Kruger said she gives the teachers a voice in what supplies they want. She said she does not get the sense of discontent.

Ms. Raymond said that, at the site of the new school, they will need a septic system and a cistern for water, both of which have been included in the development costs.

Chair Klawes said that Jeff Backman, the Sewer Department Superintendent, said that the cost of extending sewer is \$150 per foot. The site is about seven-tenths of a mile from the existing sewer line.

Mr. Goodine said that might be a good investment for future development in that area.

Mr. Venegas thanked Ms. Raymond for her hard work, and he noted that her presentation was precise, clear, and out in the open. He said he appreciated the full disclosure.

Ms. Angowski said that all of the budgets presented have been clearer, more concise and more transparent over the last few years. She said that the public can understand them.

Ms. Boisvert asked if the sending districts have a say regarding how Pembroke Academy functions during COVID, in terms of remote instruction, hybrid learning and in person classes.

Ms. Raymond said that there is an AREA committee on which she serves, along with representatives from other school boards. She said they have a voice but not a vote, and they would like the committee to be more robust. The committee was started in the 1960's and had a guiding document which could not be reviewed or changed until 1989. It is only four pages long and has never been updated, which it very much needs, she said. Regarding learning models during COVID, the AREA committee has made it clear that they want to meet before any changes are made. She said the committee also wants Pembroke Academy to be separate from Pembroke's K through 8 schools, in terms of the decisions about remote, hybrid and in class instruction.

Chair Klawes said that, with the new plot of land, they could look at a community high school for Allenstown, Chichester, Epsom and Deerfield.

Ms. Raymond emphasized that the land is very flat.

Ms. Raymond noted that Ms. Boisvert has driven a lot of the work on this project, and she expressed her thanks. She said that real estate in Allenstown is hot now, and has good family homes for sale.

Mr. Venegas said that, in terms of economic development, Allenstown is going in the direction of attracting growth, and that having a good school system is a huge aspect of attracting development. He said that voting down the new school saves money now, but it is just passing the cost to the future.

Ms. Boisvert stated that they are currently spending \$75,000.00 to \$100,000.00 on repairs and maintenance for the existing buildings. It would be a shame to lose the \$20 million from the State; there is no better time than now, with the Brady Sullivan development and the Optimus facility. She said they would issue a 20-year bond, because there is a big spike in the interest rate going to 30 years.

Ms. Angowski stated that the town does not want to lose a second time.

Mr. Rodger said that they shouldn't knock the current buildings because they have potential for offices or small businesses.

Mr. Venegas agreed. He said they are viable properties.

Mr. McDonald said that high school tuition at Pembroke Academy is \$13,984.00, while Bishop Brady is about \$13,500.00 and Trinity is even less. If we are not getting the input we want, he said, there are other options.

Ms. Carney said there is also Concord Christian School.

Ms. Ranfos said that Hooksett has four or five choices.

Chair Klawes called for a recess at 10:54 am.

Chair Klawes reconvened the meeting at 11:02 am.

Fire Department Budget Discussion

Mr. Goodine said that the Select Board members voted at the November 30th meeting not to support the purchase of a ladder truck for this budget, and they voted to support putting the Forestry vehicles in this budget. They support the addition of one full-time firefighter. They also agreed that the Capital Outlay line should be at \$60,000.00.

Chair Klawes said that he is guided by "Prepare for today and plan for tomorrow." He noted that taxes have been relatively stable in recent years, as compared with the spikes of previous years.

Mr. Juranty said that the Fire Department's presentation was for the Forestry vehicles and a ladder truck.

Chair Klawes said he would like to keep the ladder truck out of the discussion for now and discuss it separately because it is not in this budget, due to the delay in the first payment.

Mr. Venegas asked if the BOS supports the additional full-time firefighter.

Ms. McKenney responded that they do. She added that she would prefer to let the residents decide on the Forestry package.

Mr. Venegas asked if she wants the Forestry package to be part of the budget.

Ms. McKenney said she does not, that she would like it to be a warrant article.

Chair Klawes said that there are four pieces of equipment in the Forestry package, all from different vendors.

Ms. Boisvert said that it is a package, though.

Ms. Higham said that the pickup truck is the largest expense of the four items.

Chair Klawes said that the Budget Committee members were elected to watch over the spending. He said he would like to avoid going back to spikes in the tax rate.

Mr. Venegas said they don't do it this way with the police vehicles.

Ms. Boisvert said that the truck is \$63,646.00 and the other items combined will cost \$22,020.00, for a total of \$85,999.00. These items, she said, are all needed for off-road rescues.

Mr. McDonald said that more than half of Allentown is forested, and the Fire Department does not have the necessary equipment.

Mr. Goodine said that, in the budget sent to the BOS, the Capital Outlay line was cut to \$60,000.00, so \$25,666.00 would have to be added to make this purchase.

Chair Klawes said that the default amount is \$84,000.00

Mr. Goodine said that if the default budget is voted in, other lines would have to be adjusted for necessities such as wage increases and heating costs.

Ms. Angowski said the line should be increased by \$25,000.00.

Mr. Juranty stated that the Budget Committee members were elected. He said they should add \$25,000.00 to the Fire Department budget and not have a warrant article for the Forestry equipment.

Mr. Goodine suggested that the pickup truck could be purchased through a lease-purchase agreement.

Chair Klawes said he is against that.

Chair Klawes made a motion to add \$24,000.00 to the Capital Outlay line. Ms. Angowski seconded the motion.

A roll call vote was taken on the motion.

Julie Keane	Aye
Matt Pitaro	Aye
Robin Richards	Aye
Mike Juranty	Aye
Deb Carney	Aye

Keith Klawes Aye
Melaine Boisvert Aye
Carol Angowski Aye
Jim Rodger Aye
Maureen Higham Aye
Tiffany Ranfos Aye
Jeffrey Venegas Aye
Kris Raymond Aye

The motion carried unanimously

Ms. McKenney stated that an additional \$18,250.00 would have to be added to the Fire Department budget for the second full-time firefighter. Another \$31,000.00 would need to be added to the Administration budget for personnel costs.

Ms. Ranfos said that the Fire Department’s original budget was \$338,040.00, with \$66,000.00 for the full-time line and \$122,000.00 for the part time or per diem firefighters.

Chair Klawes said he was under the impression that the reduction in part-time or per diem line and the addition to the full-time line was a wash.

Mr. Goodine said that their revised budget was for \$356, 290.00 to include the additional \$18,250.00 needed. The reduction in the per diem line was not enough to totally offset the increase for the additional full-time person.

Ms. Ranfos made a motion to approve the addition of one full-time firefighter, adjust the per diem line, and update the Town’s administration budget for the increase in personnel costs. Ms. Angowski seconded the motion.

A roll call vote was taken on the motion.

Julie Keane Aye
Matt Pitaro Aye
Robin Richards Aye
Mike Juranty Aye
Deb Carney Aye
Keith Klawes Aye
Melaine Boisvert Aye
Carol Angowski Aye
Jim Rodger Aye
Maureen Higham Aye
Tiffany Ranfos Aye
Jeffrey Venegas Aye
Kris Raymond Aye

The motion carried unanimously.

Chair Klawes stated that he spoke at length with Chris Champagne, the Vice President of Sales and Marketing for Greenwood Emergency Vehicles, about the ladder truck. As far as the price, he said, the vetting has already been done. The average annual increase in the cost of a ladder truck over the last five years has been 3%. The interest rate will go up. The Fire Department’s plan is to use the \$84,000.00

in the Capital Outlay line to make the annual payment for the ladder truck. He said they will soon have to replace Engine #3, which is 17 years old. It has a 20-year life, and this past year \$11,000.00 was spent on repairs over and above routine maintenance. He said the purchase of a ladder truck will add nothing to the budget for this year, but starting in 2022, it will cost \$93,746.00 each year.

Mr. McDonald asked about the interest rate.

Mr. Goodine said it is 3.2%.

Chair Klawes said that a down payment of \$113,000.00 would keep the payment at \$84,000.00.

Ms. Bender said that, per the DRA, the purchase of a ladder truck, with payments over 15 years, should be in a warrant article, for transparency. She said they advised not 'hiding' this in a capital outlay line, which is for purchases being paid off within three to five years. Aside from the transparency issue, she said, this would tie up capital outlay funds which might be needed for other items. Ms. Bender said they could open a capital reserve fund and wait two or three years to make the purchase. She also suggested repurposing the capital reserve fund for SCBA, which now has \$165,000.00.

Mr. Goodine said that he 100% agrees, especially because they will have two additional Select Board members and they can't tie their hands.

Ms. Ranfos said that the Police Department has a three-year cycle for their vehicles. They might need a new garbage truck at some point, which might cost \$200,000.00. She said she believes they need a ladder truck but they would need to first fill positions in order to have firefighters on the truck.

Ms. Boisvert agreed that they should not purchase the ladder truck this year. She said she spent a lot of time going over the call data. Of the 715 calls so far this year, she said, 73% of them were medical. She said that Allenstown's responses to Mutual Aid calls are equal to those which Mutual Aid takes in Allenstown, so they should not worry about that issue. If there are lots of high-cost warrant articles, the voters will vote 'no' to everything, and they could lose the new school article.

Mr. Richards stated that there is only so much you can want before falling over the edge.

Ms. Angowski said that they do need the second firefighter.

Ms. Boisvert stated that the Municipal Budget Committee has a great reputation, and they don't want to lose credibility with the voters.

Ms. McKenney expressed her thanks to the Budget Committee for their hard work.

Chair Klawes observed that it is so much better to be reviewing the budgets along with the BOS. He said that combining the meetings was a great idea.

Ms. Raymond asked for confirmation of the dates for the Public Hearing and the Deliberative Session.

Mr. Goodine said that the Public Hearing is January 16,2021 and the Deliberative Session is scheduled for February 6, 2020. He said that they could space out for social distancing at ARD so that the meeting and voting can be done in person.

Ms. Raymond cautioned that the acoustics at ARD are very bad.

Chair Klawes said that the Parish Hall is an option, although the Wi-fi connection there is not good.

Mr. Goodine said that Moderator Judy Silva wants to meet with the BOS about the Deliberative Session. He said he would rather not go through all of the steps required for a remote session. He said people can watch and comment on Zoom, but vote in person or use the absentee process.

Mr. Venegas said the voting should be in person.

Ms. Ranfos made a motion to adjourn at 12:38 pm. Ms. Boisvert seconded the motion.

A roll call vote was taken on the motion.

Julie Keane	Aye
Matt Pitaro	Aye
Robin Richards	Aye
Mike Juranty	Aye
Deb Carney	Aye
Keith Klawes	Aye
Melaine Boisvert	Aye
Carol Angowski	Aye
Jim Rodger	Aye
Maureen Higham	Aye
Tiffany Ranfos	Aye
Jeffrey Venegas	Aye
Kris Raymond	Aye

The motion carried unanimously, and the meeting was adjourned.

**SIGNATURE PAGE
MUNICIPAL BUDGET COMMITTEE
DECEMBER 12, 2020**

<u>NAME</u>	<u>DATE</u>	<u>SIGNATURE</u>
KEITH KLAWES, CHAIR		
MELAINE BOISVERT, VICE CHAIR		
ROBIN RICHARDS, SECRETARY		
CAROL ANGOWSKI		
TIFFANY RANFOS		
DEBRA CARNEY		
JIM RODGER		
JEFFREY VENEGAS		
MATT PITARO		
JULIE KEANE		
BOBBIE LAFLAMME		
MICHAEL JURANTY		
MAUREEN HIGHAM, SELECT BOARD REP		
KRIS RAYMOND, SCHOOL BOARD REP		