

Allenstown School Deliberative Minutes

1/30/21

St John's Parish Hall

Moderator, Judy Silva, called the meeting to order at 9:05 am. She called for a moment of silence for service members and their families, in keeping with the tradition begun by former Moderator, Dennis Fowler. Judy then introduced the rules of the moderator, including the mask wearing requirement. She then requested a motion to recess the school portion of the meeting until after the Town portion. Sandy McKenney, Selectman, then motioned for the same and Keith Klawes, Budget Committee Chair, seconded the motion. The school portion was recessed at 9:08 and called back to order at 10:18am. There were 40 people in attendance. Dennis Fowler, resident, motioned for the meeting to begin and Armand Verville, Old Allenstown Meeting House Committee Chair, seconded.

Judy inquired how many people present had not also attended the Town portion of the meeting. No hands were raised. Judy explained that the basic rules and intents of the meeting are the same and since seeing no new attendees she would skip that part of her introduction speech. Judy asked those attending on behalf of the school board and associated school officials to introduce themselves. She then stated that the same budget committee members were also present. Judy asked that a motion be made to allow nonresidents to speak in the meeting. Dennis Fowler motioned and Melaine Boisvert, Budget Committee Co-Chair, seconded. The voice vote was in the positive. Judy reminded the audience that the warrant articles would be voted upon on March 9th. She stated that this meeting was also being recorded and that attendees should be on their best behavior. Derik Goodine, Town Administrator, stated that there were currently 8 people watching via Facebook.

Judy let the crowd know that articles 1 and 2 would be read and discussed simultaneously. She began by reading warrant article 1:

1. Shall the Allenstown School District vote to raise and appropriate the sum of Thirty-Two Million Four Hundred Ninety-Nine Thousand Five Hundred Sixty Dollars (**\$32,499,560**) for the purposes of purchasing 59 acres of land located at River Road, Allenstown, N.H. (currently identified on Allenstown Tax Map 410 Lot 12) in accordance with the terms of the purchase and sale agreement entered into between the Allenstown School Board and Rehab Associates of New England, and for constructing and equipping a new school facility located at that site; and to authorize the issuance of not more than Twelve Million Nine Hundred Ninety-Nine Thousand Eight Hundred Twenty-Four Dollars (**\$12,999,824**) of bonds or notes under and in compliance with the provisions of the Municipal Finance Act (RSA Chapter 33); with the remaining balance of Nineteen Million Four Hundred Ninety-Nine Thousand Seven Hundred Thirty-Six Dollars (**\$19,499,736**) to come from a State Building Aid grant (the "Building Grant"); and to authorize the School Board to issue, negotiate, sell and deliver such bonds or notes and to determine the rate of interest thereon and the maturity and other terms thereof; to authorize the School Board to apply for, obtain, accept and expend any and all Federal, State, or other aid, if any, which may be available for said project, including, but not limited to the Building Grant, and to comply with all laws applicable to said project; and to authorize the School Board to take any and all action necessary in connection therewith or to pass any other vote relative thereto, and further to raise and appropriate an additional sum of Three Hundred Twenty Five Thousand Dollars (**\$325,000**) for the first year's interest payment on said bond or note. This project is contingent upon the District being awarded the Building Grant, and if the District is not awarded the Building Grant, then this article shall be deemed null and void. (3/5 ballot vote required.)

*School Board Recommends Approval
Budget Committee Recommends Approval*

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Mike Juranty, Budget Committee member, motioned to open warrant article one for discussion. Dennis Fowler seconded. The vote was in the positive. Judy then proceeded to read warrant article 2:

2. **IF, AND ONLY IF**, Warrant Article 1 fails to pass, shall the Allenstown School District vote to raise and appropriate the sum of Four Hundred Fifty Thousand Dollars (**\$450,000**) for the purchase of 59 acres of land located at River Road, Allenstown, N.H. (currently identified on Allenstown Tax Map 410 Lot 12), in accordance with the terms of the purchase and sale agreement entered into between the Allenstown School Board and Rehab Associates of New England; and to authorize the issuance of not more than Four Hundred Fifty Thousand Dollars (**\$450,000**) of bonds or notes under and in compliance with the provisions of the Municipal Finance Act (RSA Chapter 33); and to authorize the School Board to issue, negotiate, sell and deliver such bonds or notes and to determine the rate of interest thereon and the maturity and other terms thereof; to authorize the School Board to apply for, obtain, accept and expend any and all Federal, State, or other aid, if any, which may be available for said project and to comply with all laws applicable to said project; and to authorize the School Board to take any and all action necessary in connection therewith or to pass any other vote relative thereto, and further to raise and appropriate an additional sum of Nine Thousand Dollars (**\$9,000**) for the first year's interest payment on said bond or note. If Allenstown School District Warrant Article 1 passes, then this article shall not take effect and shall be deemed null and void. (3/5 ballot vote required.)

*School Board Recommends Approval
Budget Committee Recommends Approval*

Carol Angowski, Budget Committee member, motioned to open discussion. Melaine Boisvert seconded.

Kris Raymond, School Board member and Budget Committee school representative, presented a slide sheet presentation on the school's warrant articles 1 and 2. She stated that the estimated first year cost of article one to tax payers would be \$1.09/ \$1,000 of valuation. Years 2-20 are estimated to cost \$2.77 for the same. Ron Adinolfo, resident, asked for Kris to please clarify amounts. He wanted to know if the amounts were compounding yearly. Kris said yes and that the breakdown of principal and interest changes yearly with the amount of principal increasing while the interest decreases. She estimated the cost to be about \$555.00 on a \$200,000 home. Kris stated that building aide only becomes available from the state on a biannual basis. She said that the town will not even know if they have secured the grant until July of 2021. If the warrant articles don't pass, then the aide will be given to a community that does pass the necessary articles for their towns prospective project. Regarding Article 2, Kris explained that 15 acres of land are needed for the new school project. She said that land is scarce in Allenstown and Melaine Boisvert had managed to get in contact with a lot owner of property on River Rd that would meet the requirements needed by the school. Article two is intended to protect the purchase of that land, even if article 1 should fail. Kris let the meeting participants know that she estimates the cost of warrant article 2 to be about 3 cents in year one and 31 cents in years 2-20. She explained that her estimates are based off of very conservative interest rates, which are actually quite lower than the interest rates actually being accrued currently for those same bond types.

Ron Adinolfo then asked if a geological survey had been done on the property that the school was considering buying. Kris answered that it had not. She stated that North Ranch Construction had said that the land was a non-issue. Melaine Boisvert stated that it is raw land

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and that bond banks will require environmental due diligence of the school before sale. Ron explained he was not concerned about environmental factors but whether there was granite and rock ledge present on the land that would obstruct development or cause abundant unanticipated building costs to arise. He reiterated that a geological survey should be done prior to the school buying the land. Dennis Fowler commented that Rehab Associates, the current owner of the property, had most likely done one that the Town could access. He also said that as long as the ledge was 6ft down or further, it would be ok for building still, with no issues.

Kris then went on to discuss the school projects time line. She reviewed the steps that had been taken and the meetings that were held to get to where the town is now at in this process. She stated that all of the possibilities for addressing the school's current needs were studied. It was deemed too expensive to send students to Pembroke. Pembroke also most likely would not have room for Allentown's students. She stated that there were many short comings with trying to add an addition on to AES to house all of the students there. It was decided by the school board and various committees involved, after all of their research during the past 3 years, that the proposal of the new school building and land should go to the voters on the ballot in March. Kris thanked Derik Goodine for all the towns help during this process.

Kris then proceeded with her slide show presentation, explaining why a new school was needed. She emphasized that 14 communities sought after these grant funds. She said that upon reviewing all the eligible applicant's applications, the State rated Allentown's new school project as #2 in priority on the list. She said this is indicative of the State's assessment that Allentown is truly in need of this project. If the warrant articles do not pass, Kris says that we may not have time to go through this process again, if funds are even available again. She said the numbers may change upwards dramatically as bond rates are at the lowest they have been right now. Kris informed the listeners that the new school is important for all of Allentown. The community and the businesses. Melaine stated that the estimates they are using require them to calculate for a 2.5% interest rate when rates are actually 1.58% right now. Amber Wheeler, Finance Administrator for the SAU, stated that the interest payments would be made biannually and would total approximately \$828,625 per year.

Diane Adinolfo, Planning Board member, asked if the new school will be hooked up to Town sewer and water. Kris said no. Septic, cistern and a well will be required. Diane stated that a recent building project in town was shot down because of the strain that the project would have put on the existing wells in the area. Melaine Boisvert stated that the project estimates include all the costs associated with digging a new well, as well as the addition of a cistern and septic. She said those funds could potentially be spent on expanding the current sewer department service area, which would promote further development and growth of the town. Diane stated that she believes a dry well is a bigger concern than septic and that it should be prioritized in project spending.

Armand Verville then pointed out that there was a discrepancy with the amount printed in Kris's slide show and the amount on the warrant. Kris said that the warrant was correct. Her slide was a typo.

Mike Frasinella, Chairman of Economic Development Committee, asked for the term "raise and appropriate" to be explained in warrant article 1. He said it sounds like the town is raising the entire amount from taxes. Judy informed Mike that the warrant article was presented in a standard format and that reading the article all the way through explains in detail how the funds are actually raised and appropriated. Mike then asked if the interest calculations represent July 2021 moving forward. Amber answered yes. Mike then asked if the town will see a property tax increase on the July bill as a result of this article passing, if it does. Amber said no, that would not happen until 2022. Mike then inquired about the possibility of the town incurring an additional \$100,000 in extra bussing costs due to the new school. Kris

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asked why Mike thought this would be the case. Mike said that this is just another unknown factor that residents should be aware of. Kris said without further details of the possible costs, she could not answer Mike's question. Mike said that AES is sitting on 14 acres right now. He believes the down town location of that property to be better for a school than the River Rd location. Amber Wheeler said that possible bus routes would need a lot of research before any figures could be approximated. They would need to know the total number of students busing and the total number of possible routes to even begin calculating. Jody Moore said that the School Board did look at using AES land but the wetlands involved in conjunction with the land's elevation variations would have made that project very costly. Kris then presented slides to show all the studies done on the possible land uses and different school building options. Kris further explained that the current loop used by parents to drop their children off for school is awful. It creates many traffic delays and backups each school day. There is no room there to create a different drop off location. There is also no additional space for increased parking or sports fields for the children.

Dennis Fowler then stated that he was concerned about the wording of Article 2. The way it currently reads, if article 1 passes but the grant aid is not actually awarded to Allenstown and 2 also passes, then does the school still have the authority to buy the land? The school lawyer, Dean Eggert, stated that the warrant article should be amended to state that the land can be bought even if no grant is awarded. Dean recommended inserting the phrase "...or is deemed null and void..." after the word "pass" in sentence one of warrant article 2. This would protect article 2 if article 1 passed but the aid was ultimately not awarded.

Jean Hill, resident, asked if article 1 passes, what will happen to the existing school buildings? Kris Raymond explained that the school intends to sell them.

Keith Klawes then motioned to amend the warrant article to add the words "is deemed null and void" as indicated by the lawyer to warrant article 2. Dean then recommended that a further amendment should also be made in the last sentence after the word "passes" to include the phrase: "and the requisite building aid is received," Keith subsequently proposed making that amendment as well. Melaine seconded. The amendment passed with a unanimous voice vote.

Sandy McKenney then asked where the money will come from if the actual costs of buying and building are higher than estimated. Kris explained that soft costs, such as money included to buy new desks, computers, lockers, etc. would then be directed to building costs to offset any unexpected increase. Amber Wheeler said contingency costs were built into the building project costs.

Ron Adinolfo then proposed that Article 1 be amended to include an estimated tax impact amount of year 1 and years 2-20 at the end of the warrant article. He said this is important so that voters really know how this is going to affect them individually.

The school's lawyer, Dean Eggert, said it is legally permissible to state an estimated tax impact. Keith Klawes stated that he believed that only the current year's estimated tax impact is allowed to be shown and must be factual.

Ron Adinolfo stated that he does not believe that will work in the school's favor. Ron inquired how voters are supposed to know what to expect in the future. Matt Pitaro, Budget Committee member and State Rep, succinctly stated that they should attend the meetings, such as the current one, if they want to know. Ron concurred.

Judy proposed that years 2-20 could maybe be shown with the disclaimer that the amounts were based on 2020 valuations.

Dean reiterated Keith Klawes' earlier sentiment that only the current year's tax impact may be shown, legally per the RSA, on the warrant article when presented to voters on the 2021 ballot.

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Ron Adinolfo stated that seemed illegal to him and that he wants to see an amount on the ballot. Keith Klawes suggested including that info in the voter's guide since it cannot be included on the ballot. Judy suggested that a future warrant article be done that requires the school to show the estimated tax impact of its warrant articles.

Carl Scheaffer, School Board member, stated that multiple years' worth of actual costs can be shown in the warrant article on the ballot, such as it is done with teacher contracts.

Sandy McKenney noted that the Town has passed a warrant article like the one that Judy is proposing but that the School has not.

Amber Wheeler explained that the assessed value does not change once a bond schedule is created. The only change would be in the interest rate. The bank advised them to use a 2.5% interest rate in the attempt to present the maximum amount possible but the real rate should be much lower. Amber also noted that revenues are unknowable for years 2-20 so an estimate is really impossible.

Ron Adinolfo exclaimed that he is only trying to help. He said that voters will look at the total amount on the warrant article and immediately vote no. Ron said that his proposed amendment should stand as showing a \$1.09 tax impact for the current year.

Matt Pitaro said that the budget committee had discussed this and ultimately decided against it because it was felt to be misleading.

Judy asked Ron if he was motioning to add the phrase: "the approximate tax impact on the tax rate for year 1 is \$1.09." at the end of article one. Ron affirmed. Diane Adinolfo seconded.

Mike Frascinella then stated that if he does not know the tax impact of years 2-20 then he is voting "no" in March and he believes that other voters will, too. Mike said that he believes that 19 years of unknown costs is a game and a disservice to the community.

Judy then called for a vote on the amendment. A show of hands was taken. 19 affirmative votes were recorded. 3 votes against. The amendment passed.

Diane Adinolfo asked if the actual estimated costs for all the years could be advertised at the election. Judy advised that they cannot. In her opinion, it is a down side of SB2. Dennis Fowler stated that it is allowable to have people outside the polls to educate voters. Matt Pitaro advised that the normal voter turnout is low in Allenstown and that if meeting attendees hoped to educate voters, it would be up to those in the room to begin networking with neighbors, friends and family in the town.

Judy stated that Articles 1 and 2 would be moved to the ballot as amended.

Judy then read article 3 as follows:

3. Shall the Allenstown School District vote to raise and appropriate as an operating budget, not including appropriations by special warrant article and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling Eleven Million Four Hundred Fifty-Seven Thousand Three Hundred Eighty-Five Dollars (**\$11,457,385**)? Should this article be defeated, the operating budget shall be Eleven Million Four Hundred Forty-Four Thousand Eighty Hundred Twelve Dollars (**\$11,444,812**) 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 RSA 40:13, X and XVI, to take up the issue of a revised operating budget only.

*School Board Recommends Approval
Budget Committee Recommends Approval*

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[Note: Warrant Article #3 (operating budget article) does not include separate Warrant Articles #1 or #2]

Keith Klawes motioned to open article 3 for discussion. Sandy McKenney seconded. Keith then proposed amending the article due to some inaccuracies with the typed out amounts vs. the numerical values given in the article. Dennis Fowler, previous Town Moderator, let the room know that a formal amendment was not needed in this type of situation. Typos and spelling/grammatical errors can be corrected without an amendment being made.

Kris Raymond then proceeded with her slide show to explain the operating budget. Kris explained that the key driving factors for the increase over last year are the increased retirement costs, health insurance costs and an increase to PA tuition rates for our HS students. Kris stated that we currently serve approximately 500 students with this budget. Kris then presented the special education budget, which she said saw a decrease for the first time in a long time. Kris presented a slide giving the breakdown of SAU costs incurred by the Town as well as employee information. Comparative school budgets were shown from neighboring towns. Allenstown historical tax rates were given.

Ron Adinolfo then asked for last year's budget amount. Kris answered that last year's budget was \$11,159,498.00, including monies transferred into expendable trusts. Ron asked what the difference is between last year's budget and this year. Kris answered it is a \$297,000 difference. Ron clarified that the tax rate would be \$4.03 on that budget alone and that the proposed bond would add an additional \$1.09. Kris said it is all estimated and that they always estimate on the high side. Amber Wheeler explained that they must do this because they have no way of knowing what the surplus will be to offset the tax rate. She added that last year they returned \$183,000. Ron then said that the math did not add up. He asked why the increase is so substantial. Amber said that the adequacy grants previously awarded to Allenstown are ending. Ron said that an average \$200,000 home will pay about \$5/\$1,000. He said this is an average increase of about \$1,000 per year over what is currently being paid by Allenstown home owners.

Keith Klawes stated that the tax rate is affected by so much more than just costs. He said that revenues will be taken into account along with assessments, grants received, etc. He said that our actual taxes paid have been fairly even and steady over the years regardless of costs fluctuating. He said it is usually only a couple hundred dollars' difference from year to year. He noted that the town has been improving greatly with the town equipment and services being maintained responsibly. He said the town has done a great job over the past 5-6 years of solving problems while keeping the taxes even and steady.

Ron stated that many in the community are elderly and retired. They cannot afford tax increases and they are slowly being taxed out of their homes. He said these are the people who built this town and the voters ought to keep them in mind when making these decisions.

Kris Raymond answered that the Town's demographics are changing. That we are a starter home market. More people with kids are moving here and the schools are really needed more than ever.

Melaine Boisvert spoke to her understanding of both sides of the argument. However, she said that this amount of grant funding is unheard of. She is concerned that if the Town votes this down, then the Town will end up paying 100% of the building costs in the future. She informed the listeners that property values go up with nice schools. She said that home buyers pay attention to nice schools. She exclaimed that the children deserve a nice school and the Town does, too. She said that the tax rate could climb by \$8 or more if the Town has to pay 100% for a new building later on.

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Jeff Venegas said that he heard of a similar opportunity that the Town had to receive 75% of the costs for a new school some years back but it was voted down. He said he doesn't understand why the town would do that.

Melaine said that research shows that a new school building translates into higher grades for students, better attendance, and improved attitudes. A new school is a source of pride to the students and their parents. Melaine told the audience that the Town and School should be united and fiscally responsible for all. She believes that waiting to do this project will only increase costs.

Dean Hopps stated that the proposed new school is too far away. He asked if thought was given to children's schedules. The extra time needed for transportation could take up too much of a student's day.

Keith Klawes said that studies actually show an earlier start to the day is beneficial to children. He also said that we are talking about maybe a 20-minute time difference in schedules. It is not a lot of time, in his opinion. Keith again reminded the meeting participants that the state ranked this project #2 out of all the applications that it received, thereby showing what a true priority this should be.

Judy declared the article moved, with spelling and grammatical corrections as needed.
Judy then read Article 4:

4. Shall the Allenstown School District vote to raise and appropriate the sum of Seventy-Five Thousand Dollars (**\$75,000**) to be added to the **School Building Maintenance Expendable Trust Fund** previously established, with such amount to be funded from the June 30, 2021 unassigned fund balance available for transfer on July 1, 2021. (**NO AMOUNT WILL BE RAISED FROM FY 2021/22 TAXATION**)

*School Board Recommends Approval
Budget Committee Recommends Approval*

Carol Angowski motioned to discuss. Melaine Boisvert seconded. Kris Raymond explained that this warrant article is particularly important if articles 1 and 2 fail. No further discussion was had. The article was moved as written.

Judy then read article 5:

5. Shall the Allenstown School District vote to raise and appropriate the sum of Seventy-Five Thousand Dollars (**\$75,000**) to be added to the **Special Education General Expendable Trust Fund** previously established, with such amount to be funded from the June 30, 2021 unassigned fund balance available for transfer on July 1, 2021. (**NO AMOUNT WILL BE RAISED FROM FY 2021/22 TAXATION**)

*School Board Recommends Approval
Budget Committee Recommends Approval*

Dennis Fowler motioned to discuss. Carol Angowski seconded. Kris Raymond explained that special education often consists of surprise expenses. She believes this fund to be underfunded. It was moved as written.

Judy read article 6:

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6. Shall the Allenstown School District vote to raise and appropriate the sum of Seventy-Five Thousand Dollars (\$75,000) to be added to the **Renovation/New Building Capital Reserve Fund** previously established, with such amount to be funded from the June 30, 2021 unassigned fund balance available for transfer on July 1, 2021. **(NO AMOUNT WILL BE RAISED FROM FY 2021/22 TAXATION)**

*School Board Recommends Approval
Budget Committee Recommends Approval*

Carol Angowski moved to discuss. Claudette Verville seconded. Kris Raymond explained that this a newer fund with a low balance of just \$55,000. The article was moved as written. Judy then proceeded to the final article, number 7:

7. Shall the School District authorize the School Board to accept on behalf of the District, without further action by the voters, gifts, legacies and devises of real or personal property which may become available to the District during the fiscal year?

School Board Recommends Approval

Carol Angowski moved to discuss. Dennis Fowler seconded. Hearing no discussion, the article was moved as written.

Derik Goodine then thanked Judy Silva for a great job done in her first year as Moderator. Judy then appreciatively asked for a motion to recess. Jeff Venegas made the motion and Keith Klawes seconded. The meeting was recessed at 12:16 pm and declared to resume on Tuesday, March 9th at 8am.

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