

**Approved
Candia Budget Committee
Meeting Minutes
May 11, 2011**

Members Present: Lynn Chivers, Carla Penfield, Todd Allen, Kim Byrd, Judy Szot, Craig Sandler, Carleton Robie, Selectmen's Representative, Ingrid Byrd, School Board Representative, and Cheryl Eastman, Secretary

Members Absent: Christine Watson

The meeting was called to order at 7:00 p.m. Lynn led the Pledge of Allegiance.

Approval of minutes

The minutes of the February 12, 2011 meeting were reviewed. Todd Allen pointed out some spelling errors, including "Presend" should read "present" and Carla Penfield's name is missing the "n". Judy Szot suggested the spelling of "reconvened" should be "reconviened". Carla Penfield made a motion to accept the minutes as amended. Todd Allen seconded. All voted in favor, with the exception of Judy Szot, who abstained because she was not present on February 12. Motion carried.

The minutes of April 13, 2011 were reviewed. Ingrid Byrd corrected on page 2, middle of the discussion of voting results paragraph, should read "compete", instead of "complete". Lynn Chivers pointed out a spelling error on page 4 – the word "stabile" should be "stable". Todd Allen made a motion to accept the minutes as amended. Ingrid Byrd seconded. All voted in favor. Motion carried.

Questions raised at the prior meeting

Before proceeding with the agenda, Lynn Chivers asked for answers to the various questions that were raised at the last meeting.

Town - Carleton Robie reported that as of April 15, there were 4 new welfare clients, with one being added since the 15th, for a total of 5. He also reported that the health insurance buy-out amount for town employees is \$65.37 per week, or \$3,400 per year. This amount has been the same since 2007. As of April 15, 6 employees were using the health insurance and 7 employees were opting for the buy-out. Carleton Robie reported that he had brought the message to the Board of Selectmen that the Household Hazardous Waste Day should be included in the operating budget, and that will be addressed when the new budget is discussed.

School - Ingrid Byrd reported that she had brought the committee's concerns to the School Board and did not receive many comments. Ingrid Byrd felt that since there are two new members to the Board, one member being on the Board for only one year, and the Chair having served for only two years, she felt they did not feel comfortable answering questions, such as what determines an IEP. They did say that Nash Ready could come and talk to the Budget Committee to answer any questions, if that was wanted. Lynn Chivers asked about the issue of transportation and the new software. Ingrid Byrd said that the software was not completely installed yet, but there may be changes next year regarding the start of school times and a change in routes. The School Board does not have any statements as of yet, but a plan to have all the same start and end times is being planned. Judy Szot asked if that will make a

need for more buses. Ingrid replied it would not require more buses. It will maybe change the start times by about 10 minutes, but will result in more actual class time because there will be less outside playground time. It is hoped that this plan will result in less injuries and less bullying.

Town reports – Lynn Chivers reported that she had spoken to the boy scouts about including information in the packet next year and was told that the Budget Committee would not be charged a fee to include something. The only costs would be the printing costs for whatever the Committee wanted to include. Kim Byrd asked about the quantity of copies needed. Judy Szot reported that the Boy Scouts had asked for 1,600 copies. Lynn Chivers commented that the Budget Committee doesn't have a lot of money in its budget, but maybe the Board of Selectmen could find some funds for printing, if that is what the Committee decides to do.

Carla Penfield asked what the health insurance buy-out amount for the school was. Ingrid Byrd did not have those figures with her, but she would get them. Ingrid Byrd reported that the copies of the newly negotiated contract were not available yet, but when they are, she will supply the Committee members with copies. Lynn Chivers asked if the school had different buy-out rates for a family or an individual. Ingrid Byrd confirmed that they were different amounts. Carleton Robie added that the Town's buy-out option is one flat rate. Judy Szot asked Carleton if the cost to the town for health insurance was less than the amount paid to an employee using the buy-out. Carleton Robie replied that the insurance is much more expensive. Carla Penfield restated that she would like to see the figures from the school.

Discussion of "State Aid to Municipalities" booklet

Lynn Chivers asked the Committee if anyone had any comments regarding the booklet titled "State Aid to Municipalities". Carla Penfield stated that it sounded pretty bleak. She stressed that the Committee needs to consider how it will affect everyone. Carleton Robie reported that he brought this information to the Board of Selectmen. He said that some members of the Board of Selectmen understood that the passing of the shortfalls onto the municipalities would affect the town. Some Board members did not agree that the municipalities would be affected. Carleton Robie reported that as far as the NH Retirement funding is concerned, the 2012/2013 proposed budget would cut the funding from 46 million down to 7.3 million. Ultimately, the costs are passed on to the taxpayers. A normal, healthy funding ratio for a retirement program is 80%, but the NH Retirement is currently at 58.5%. Carla Penfield feels that the Budget Committee needs to do a better job, especially given this revenue information. She thought that the Committee had done a fairly good job, but needs to do better. She is concerned because the school doesn't seem to listen to the Budget Committee. She feels the Board of Selectmen have been listening and working well with the Committee. Carleton Robie also reported that the Highway Block Grant was increased this year, but the new budget proposes the amount goes back to the 2009 budget, which will be a reduction again. Carleton Robie said that the Board of Selectmen have seen groups come to them asking for more funding because the State has cut funding to them. However, some Selectmen do not see this as a potential problem for the town. Judy Szot reported that NH has the second highest property taxes, as a % of income, in the US – almost 7%. Carleton Robie added that is because the state has no sales or income tax, so the burden rests on property owners, and most people in Candia are property owners. Lynn Chivers asked if the Rooms and Meals Tax will still be collected by the town. Carleton Robie reported that it comes in once a year, at the end of the year, so it hasn't shown up on the revenue report yet for 2011. Carleton added that the Rooms & Meals Tax is projected to increase from 58 million in 2009 to 63.8 million in 2013. But that is assuming that restaurants and hotels continue to do good business. Lynn Chivers closed by saying that this booklet has a lot of good information for the Committee.

Lynn Chivers also wanted to mention a report published by Bear Paw that quoted the 2010 Census figures that show Candia has had a zero growth rate in the last ten years. Surrounding towns have a growth rate of an average of 14-15%. Lynn Chivers commented that this shows that Candia is not getting bigger, just the budgets continue to grow.

Review town budget expenses and revenues

Lynn Chivers asked if anyone had questions regarding the town expense reports. Ingrid Byrd questioned that the Animal Control Officer wages is projected to be overspent by \$210. Carleton Robie will look into that. He explained that the Animal Control Officer is paid for a minimum of 8 hours a week. This was part of the hiring agreement. Ingrid Byrd asked about the legal line on page 5. Carleton Robie explained that the line looks to be projected to be overspent, but the invoice from December, 2010 is charged to this budget. It will be reversed by the auditors with their adjustments. Ingrid Byrd asked about the telephone bills also. Carleton Robie reported that Cheryl is going to be doing research into all the telephone accounts. Judy Szot questioned why the costs are so high because Fairpoint charges about \$300 a year for a phone line. Judy Szot also asked about the costs of the Planning Board phone. There was some discussion regarding cell phones and if they were included in these figures. Carleton Robie said that it will be looked at and the price difference may be the issue of residential lines vs. business lines. Ingrid Byrd commented that the Solid Waste department has a line called "Communications" and they have spent twice as much as budgeted. Carleton Robie said again that it will be looked at. Todd Allen asked about the expenditure report for the warrant articles as well as the operating budget. Cheryl Eastman apologized for not including those figures in this month's report. Carleton Robie said that of the \$531,000 approved for warrant articles, \$165,000 has been spent so far, as of April 30, 2011. Todd Allen asked if that included the amount for the forestry truck. There was discussion regarding the purchase of the forestry truck as opposed to a new rescue truck. Carleton Robie reported that the Fire Department had about \$200,000 in the Capital Reserve Fund, and the town voted this year to add \$50,000. Then the Fire Department asked for a new forestry unit and the Board of Selectmen voted unanimously to purchase one. Carleton Robie reported that the truck cost less than \$50,000, so there is still about \$200,000 left in the Capital Reserve Fund. Judy Szot asked why that decision was made and wouldn't it be better to buy a rescue truck? Carleton reminded everyone that the town has an ambulance service contract, so we don't need to have a rescue truck. For any truck we have we need to maintain it, staff it, and have drivers for it.

Lynn Chivers asked everyone to look at the town revenue report. Carla Penfield asked what the revenue for sex offenders was for. Carleton Robie reported that sex offenders that live in town must register with the Police and there is a fee for that. Lynn Chivers commented that the bottom line on the revenues did not look good. Carleton Robie reminded everyone that the Highway Block Grant has not been fully received yet. Judy Szot asked if the report was comparing year-to-date figures, or year-end figures. Carleton Robie stated that it is comparing year to date figures for this year and last year. Judy Szot added that most of the shortage is in Land Use Change Tax and motor vehicle registrations.

Review school budget expenses and revenues

School expenditure report - Lynn Chivers commented that it appears there will be an amount of money left over at the end of June. Ingrid Byrd cautioned not necessarily because the school will have to cover whatever costs are handed down from the State that was not budgeted for, like retirement. Carla Penfield asked about the amount of money spent on workshops and asked if that was included in the teacher's contracts and if so, is there nothing we can do about it? She feels that 7.3 million is too much to spend on 375 students.

Budget adjustments report - there were no questions.

Projected financial position report - Carla Penfield asked about the projected surplus in the workshop line. Ingrid Byrd said that teachers can take workshops at any time, so some workshops may have been taken but not reimbursed yet. Judy Szot said that the State requires a certain number of hours of workshops per year to keep certifications. Carla Penfield stressed that you can easily justify anything in the budgets, but we need to decide what we can do without. We keep getting told we can't touch special education, so the regular kids keep getting things taken away from them. We need to get creative. Judy Szot asked about the In-state tuition amount remaining of \$45,000. Ingrid Byrd reported that there was one child budgeted for, but then either the child didn't show up, or was brought back into the regular school. Lynn Chivers asked about the transportation costs that have come down. Ingrid reported that one parent had done the driving and been reimbursed at the going rate, which saved some money.

Enrollment reports – Kim Byrd asked if the figures for the Kindergarten were totals, or ½ students. Ingrid Byrd informed the figures are for ½ students. There was general discussion regarding the enrollment figures. In answer to a question from Judy Szot, Ingrid Byrd confirmed that there are two Kindergarten teachers, and two sessions, one in the morning and one in the afternoon. Lynn Chivers asked how the SAU budget is created and voted. Ingrid explained all towns vote on it with the number of votes being equal to the number of members that are present at the SAU meeting. Carleton Robie asked if we are required to belong to an SAU. The answer was that every school is required to have a Superintendent, and there needs to be a Business Administrator or other staff. There was discussion regarding the idea that some towns are exploring withdrawing from SAUs and hiring their own individual staff to run the schools in an effort to be more cost-effective. Carla Penfield feels this is something that should be explored. Ingrid Byrd added that being a part of an SAU gives other benefits, such as access to workshops, the expertise of people we could not afford to hire, and shared purchasing and services. Todd Allen added that it could be possible, but would take some research to see if it was financially feasible. Carleton Robie feels that with the economy as it is now, there could be a lot of people willing to work part time in these positions. Judy Szot added that if proposed legislation goes through, there will be approximately a 10% increase in the number of people retiring. Some of these people might be eager to work part time in these fields. Ingrid Byrd feels that having part time employees will not give you the high level of performance and experience wanted in these positions. Kim Byrd commented that he likes the looks of the 7% surplus on the bottom line on the projected financial position report. Ingrid Byrd reminded him that there are still two more months to go before the end of the fiscal year.

Other Business

Carleton Robie asked everyone to call their Representatives and voice their concerns regarding the information in the "State Aid to Municipalities" booklet.

At 8:07, Todd Allen made a motion to adjourn. Seconded by Judy Szot. All voted in favor. Motion carried.

The next meeting will be the second Wednesday in June.

Minutes respectfully submitted by,
Cheryl Eastman