

**Approved
Candia Budget Committee
Meeting Minutes
August 10, 2011**

Members Present: Lynn Chivers, Carla Penfield, Todd Allen, Kim Byrd, Craig Sandler, Carleton Robie, Selectmen's Representative, Ingrid Byrd, School Board Representative, and Cheryl Eastman, Secretary. Christine Watson arrived at 7:10.

Members Absent: Judith Szot

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

Lynn Chivers reported that Karen Lessard has requested that the Committee members return their school budget binders to the Moore School so that she can re-use them for the upcoming budget.

Lynn Chivers reported that she has received an informational memo from the Selectmen's Office stating that the Selectmen will meet with Department Heads on Saturday, September 24, 2011 @ 9:00 a.m. to formulate the 2012 budget. Any interested Budget Committee members can attend.

Approval of minutes

Carla Penfield made a motion to approve the minutes as submitted. Seconded by Lynn Chivers. All voted in favor with the exception of Kim Byrd who abstained because he had not had a chance to read them. Lynn Chivers reminded the members that the information is in the folders on Monday before the monthly meetings.

Answer questions from last meeting

At the last meeting, the Committee had questions about the health insurance buy-out amounts for the school. The Committee was given information that listed the total cost and number of employees taking the buy-out, but not much more information. Ingrid Byrd stated that Karen Lessard had given the Committee whatever she had. Lynn Chivers asked what the amount was paid to each person. Ingrid Byrd said that you can't really tell because it depends on what plan each person would have taken. Carleton Robie stated that for the Town, it doesn't matter. The Town pays a flat rate if someone decides to not take the insurance. Kim Byrd used the information given and figured out that, on average, an employee was getting \$3,068.63 per year to buy-out of the insurance. Christine Watson arrived at the meeting. Carla Penfield stated that the Committee needs to be clearer in what they are asking the school. Lynn Chivers asked Ingrid to find out how the amounts are computed. Carla Penfield restated the question to say "how much is the buy-out and is it the same for every employee?"

The other question at the last meeting was about the high school actual enrollment figures and the budgeted figures. Carla Penfield feels that we have consistently budgeted for 25 more high school students than we have actually needed. Carleton Robie pointed out that is why the school budget had a surplus of \$160,000 at the end of the year. Lynn Chivers remarked that it used to be fairly close between the budgeted amount and the actual enrollment figures, but there is now a huge disparity between actual and budget. There was general discussion regarding how to determine what the appropriate number should be in estimating the potential high school enrollment with kids switching from public to private schools, or back again. Ingrid Byrd stated this issue is why the high school enrollment costs used to be a separate warrant article, because if there was a surplus left over, it couldn't be used for any other purpose. Having it included in the budget, if there is a surplus, the School Board can move the funds to another purpose. Lynn Chivers reported that this issue was talked about

with the school and they acknowledged the Committee's concerns. Lynn Chivers reiterated that the Budget Committee will certainly be looking at this figure when the school submits their budget this year. Carleton Robie reminded the Committee that in fact it is up to the School Board to do what they want with the surplus. But, as a Committee, we need to look at it in this budget and need to think of a reasonable buffer amount, not 25 students. Craig Sandler asked about high school drop-outs during the year. Does the school get charged for the whole year in that case? Ingrid Byrd reported that charges would be pro-rated for any mid-term changes.

Report of meeting with school superintendent, Phil Littlefield

Lynn Chivers, Carla Penfield, and Ingrid Byrd met with Phil Littlefield and Karen Lessard on July 27. Retirement costs were talked about. There is a projected \$97,000 shortfall for retirement. There is currently a law suit regarding this, but the school may have to pay it and never get reimbursed. There will be a \$40,500 increase in the health insurance costs in this coming budget due to the new collective bargaining agreement. The school doesn't plan any changes to the Minds in Motion program. As far as the revenue is concerned, the adequacy grants and stimulus money is still up in the air. Some of the stimulus money is dependent on whether the school changes to a "Common Core" curriculum. If so, this would mean needing to purchase new books and supplies and therefore the cost of the changes would need to be weighed against the potential revenue. The boiler at the school did not get fixed this past year because the person who was the winning bidder later said he did not have time to do the job. The school will re-bid the job next year, but the next highest bidder was about \$50,000 higher, so there was not enough money in the warrant article that passed in 2011 to do the job now. The boiler is still limping along and they believe they can get one more year out of it. Lynn Chivers also reported that in the past at the start of the budget season, the Principal and the Superintendent had met with the Budget Committee to go over expectations for the year. They would like to do that again this year. Lynn Chivers will schedule them at one of the regular committee meetings. She also will suggest having the Special Ed Director attend as well.

Health Insurance Buy-out

Craig Sandler wanted to go back and comment on the health insurance buy-out option. He feels it is like a subsidy for a farmer to not raise pigs. He asked if all teachers get reimbursed for any workshops they attend. Ingrid Byrd reported that they do if it pertains to their subject matter. Craig Sandler feels that the insurance is a voluntary option and he doesn't understand paying someone to not take it. We don't pay teachers to not attend workshops. Christine Watson explained that the insurance buy-out is a less expensive option for the school than paying to have the employee on the insurance. Carleton Robie pointed out that with the proposed changes to the health care laws in 2014, the option of a buy-out might go away. Ingrid Byrd read the section of the school collective bargaining agreement that deals with the buy-out. It states the amount is equal to 50% of the cost of single coverage, or \$1,000, whichever is greater.

Review town budget expenses and revenues

Lynn Chivers questioned the line item for Health Insurance Buy-out Fica & Medi. Carleton Robie explained that this is the cost for the town's share of the Fica & Medi taxes on the amount of the insurance buy-out. The insurance buy-out amounts are considered income, and as such as subject to Fica/Medi withholding from the employee, and the Fica/Medi expense to the town as well.

Lynn Chivers asked Road Agent Lewis if the whole warrant article for the road construction will be expended. Road Agent Lewis reported that it has already been spent. It is all gone.

Carleton Robie reported that the Town revenue report is looking a lot better than it did 2 months ago. Ingrid Byrd asked what the revenue line for Cemetery – Miscellaneous consisted of. Carleton thinks it is the corner markers, but he will check to be sure.

Review school budget expenses and revenues

Lynn Chivers reminded the Committee that the report they are looking at is for one month only since the school budget year is fiscal. The total fiscal year-end figures have not been finalized yet. Todd Allen questioned why there was an encumbrance of \$1,752 for the Special Ed telephone line. Ingrid Byrd explained that the budget was based on the previous budget, not what was actually used. Funds were put into the Special Ed telephone line from another Special Ed account. She explained that for a new student or an out-of-district placement, there are a lot of phone calls that have to be made. Carla Penfield asked about the possibility of having a calling plan that charges a flat fee, not a per call charge. She went on to say that the Committee asked the Town to look into the phone charges. They did, and made some revisions. But the Committee never asked the school to look at their phone costs. Carleton Robie commented that the phone charges are all mixed up in the school budget and are hard to see. Carla Penfield commented that these are some of the small things that we don't really understand; what are the large things that we don't understand? Ingrid Byrd said that she has asked in the past if there is a log kept of outgoing calls and was told that it can't be done. Kim Byrd asked if the Committee was going to ask for phone details from the school. Ingrid Byrd said she would find out detailed bills, cell phone bills, a list of who has cell phones, and if internet is included. Carla Penfield said she would like to see total phone costs for last year for the school. Ingrid Byrd asked if the Committee would rather see the school reports broken out by categories instead of by account numbers. Todd Allen thought a summary would be good, but not if it is a long report like the 16 pages they give now.

Ingrid Byrd reported that enrollment figures are down. Carleton Robie commented that enrollment has been down 20% in the last ten years, yet the school budgets continue to increase.

Other Business

Lynn Chivers asked Carleton Robie about the Ambulance contract for the Town. Carleton reported that Rockingham Ambulance had contracted with the Town starting in July, at no cost, but now they are going out of business due to budget cuts through St. Joseph's hospital. AMR out of Manchester has told the Fire Chief that they will pick up the Rockingham contract for one year. The Town will have to renegotiate a new contract after the year is up.

Lynn Chivers announced that at the next month's meeting, the Committee will work on the calendar for the upcoming budget season. Carleton Robie asked if the Committee had any recommendations to the Board of Selectmen for their September 24 meeting with the Department Heads to formulate the budget. Lynn Chivers said the Committee will talk about that at their next meeting.

Carla Penfield asked about the Town's Direct Assistance line and that it looks like it will be overspent by the end of the year. Carleton Robie replied that it has been looked at and it will probably even out and not be overspent at the end of the year. The Board of Selectmen has that under control. Carleton Robie feels that the Board of Selectmen will handle the budget the same as the last three years – there should be no surprises.

At 8:10, Craig Sandler made a motion to adjourn. Seconded by Christine Watson. All voted in favor. Motion carried.

Minutes respectfully submitted by,
Cheryl Eastman