

**Approved
Candia Budget Committee
Meeting Minutes
October 12, 2011**

Members Present: Lynn Chivers, Carla Penfield, Todd Allen, Kim Byrd, Judith Szot, 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 of September 14, 2011

Carla Penfield made a motion to accept the minutes as presented. Kim Byrd seconded. All voted in favor. **Motion carried.**

Answer questions from last meeting

Questions from the last meeting regarded the year-end figures from the school were discussed. The report submitted shows the bottom line has a surplus of \$572,603, with \$60,065 of that being encumbered. Karen Lessard stated that she has a separate spreadsheet that shows what the encumbrance is made up of. She can forward that to the Committee. Lynn Chivers confirmed that the actual amount of the surplus is \$512,538 (\$572,603 minus the \$60,065.)

Questions for SAU representatives

Question 1 – Why do you continue to over budget the high school tuition line when we can be quite sure that every high school child in Candia will not go to public school? Karen reported that the way she budgets the high school tuition line is to take enrollments as of October 1st and move everyone a grade forward. She has no idea right now who will be going to a private school or Manchester. So, she budgets for worst case scenario because if all the students do go to Manchester, we have to have the money to pay for it. Kim asked about 8th grade students who do not go to Candia schools. Karen is not aware of them, so she does nothing with those. She has no way of knowing kids in private schools. Judith Szot asked if there was ever a year when all the potential students have actually gone to Central High School. Dr. Littlefield replied that there was one year that more students went to Central than was budgeted for. He could not recall off the top of his head what year that was. Carleton Robie said that was not the way the Committee had been told in the past the numbers were estimated. Carleton said that in the past the committee was told that the school budgets for every possible student that is eligible to go to High School, including the kids at Jesse Remington and Trinity. Ingrid Byrd clarified that to come up with the number of students to be budgeted for High School tuition, they use the enrollment numbers from the present 9th, 10th, and 11th grades, plus the number from the 8th grade from Moore school. They have no knowledge of how many kids are going to move in or out over the summer. Kim asked how accurate the numbers for this year are – the number of students budgeted for and the actual numbers. Karen Lessard has not looked at those numbers yet. She can supply that information.

Question #2 – Why do you not take the surplus and return it rather than encumbering the funds? Sometimes things come up that we were not anticipating and did not budget for. For example, last year the State said they will not pay the 35% for the retirement, so we encumbered funds to alleviate costs

out of this year's budget because we did not budget for it. The prior year, we encumbered some funds to pay for the 7th and 8th grade teachers who were cut from the budget. Karen Lessard explained that there has been 2 years of large encumbrances at the end of the year. Carla Penfield asked if the majority of the encumbrance is for teacher retirement costs. Karen replied that it is mostly for pre-purchased supplies since the retirement cannot be pre-paid. Pre-buying supplies frees up some funds to be used to cover the retirement expenses throughout the year. Carla Penfield asked if the same shortfall is expected this year, if it is budgeted for. Dr. Littlefield said that there is approximately \$45,000 of an increase for the next year's retirement costs, since the employer contribution has changed from 9.07% to 11.3%.

Question #3 Where are the final numbers for the last year's budget? This question was answered earlier.

Questions #4 What is the plan for Minds in Motion this year? How do you determine if the program is successful or not? Dr. Littlefield explained that the Minds in Motion program was restructured to mimic the Advanced Learners Program in Auburn and Hooksett, which has been very successful. The School Board intends to continue the program. There are no hard numbers to show if the program is successful or not, but they hear feedback from the parents that the program is much more challenging for the students and more coherent. The Spanish teacher was cut a couple years ago. There was concern from parents and the school has been doing the Spanish program through the Virtual Learning Academy. That is paid for by the State and the local coordinator is the Minds in Motion teacher.

Question #5 What does the School Board expect for the coming year? Can you expect to level fund? If not, what percentage do you anticipate. Dr. Littlefield said that budget meetings have started very early. He has a meeting next week to discuss the building requirements. His goal is to present a budget that is less than the default budget. He sees several drivers of the coming budget, including:

Retirement – changes in the teacher's retirement costs – as previously discussed.

Early Retirement Incentive – in the past the contract has included an early retirement incentive of \$25,000 per teacher. The new contract has a one-time only \$35,000 incentive that up to 5 teachers can elect to use. He has had 5 teachers apply, which will be a cost of \$168,000. There will be a cost for this because the costs will not be totally offset in the first year by the savings in salary.

Special Education Costs. Questions were raised as to if the Special Ed population is overstated in Candia? Dr. Littlefield reported that state-wide, 15.4% of students are identified as special ed. That number is 14.75% in Candia. However, there is a new Special Ed student this year with related costs projected to be in the \$60,000 to \$100,000 range. That will show up as an increased cost at Moore School.

Grandfathered health insurance – The School Board voted to end a grandfathering for insurances for 7 or 8 support staff (Secretaries and Para-professionals). These positions were under the minimum number of hours to qualify for insurance coverage under the contract. Since the grandfathered insurance has been removed, they have voted to form a union that is about 14 strong. The School Board will be negotiating a Collective Bargaining Agreement with them. This will increase the legal expenses. Dr. Littlefield explained that the School Board is now bound to negotiate with the new union because it is an illegal unfair labor practice to not do so. Lynn Chivers pointed out that the contract will have to go to the voters for approval. Dr. Littlefield said the voters can vote down any cost items in the contract, but the voters cannot vote down any language in the contract. Judith Szot asked what happens if the language passes, but no funding? Dr. Littlefield said that the processes and any no-cost items would be put in place. There would not be any increase in benefits, insurances, or salaries.

Lump sum payments – The new teacher's contract that the voters approved last year calls for a lump sum payment to all teachers of \$900 per year.

Judith Szot asked about the high school student figures and when they would know the costs. Karen Lessard stated that she will get those numbers from Manchester in November. Last year's costs were \$8,300 per student for base tuition and \$2,000 per student for capital expenses. Dr. Littlefield's estimate is that there will be a net decrease this coming year. Judith Szot stated that with the \$183,000 left over last year in the tuition line and add another \$200,000 we will not need this year, there is a potential of \$383,000 we can reduce out of the budget. Dr. Littlefield and Karen Lessard pointed out that it will depend on the actual tuition costs per student and the actual enrollment numbers. Judith Szot stated that there are consistently huge amounts left over in that account. There could conceivably be \$200,000 over-budgeted that we shouldn't need to raise the budget. Dr. Littlefield stated it was too early in the process to know that now. Carleton Robie pointed out that last year \$140,000 was unexpended for High School tuition. Some of that was encumbered at the end of the year. This year \$183,000 will be turned back in and the town will not have to appropriate that money. Carleton Robie feels that the number needs to be estimated better. Karen Lessard pointed out that the Capital Costs are included in the tuition amount. Usually, Manchester gets some funding from the State Building Aid. If Manchester does not get State Building Aid, then the town will have to pay the full amount. It is too early yet to know the answers to that. Carla Penfield stated she wanted to see a level funded budget. There have been 2.5% increases over the last couple years, plus \$40,000 in book trust funds. Carla stated that we work for the taxpayers and they can't afford to tie up \$100,000 a year. Dr. Littlefield said he heard Carla's comments and Ingrid Byrd will relay that information to the School Board. He continued on to say that his job is to create a responsible budget. Carla Penfield reminded that in Candia, if an issue is contentious, the voters will turn out a conservative budget. Dr. Littlefield stated he understands that. Every budget that he has submitted has been below the default budget and when that happens, the budget has to contain efficiencies and decreases. Judith Szot commented on the \$200,000 and stated that the people would rather give money when it is needed and not have it taken just to be given back later.

Kim Byrd asked for clarification on the object 930 line, fund transfers amount of \$253,190. Karen Lessard stated that this was a combination of a result of the warrant article for the boiler, the playground, and the expendable trust fund warrant article. The \$180,000 will remain in that account until more funds are voted in another warrant article to enable them to complete the job. Kim Byrd also asked about object 564 – Special Ed Out Of District placement. Judith Szot explained this was for Special Ed students that attend a private school. Karen Lessard did not have the number of those students available with her.

Review Selectmen's budget for next year

Todd Allen asked about the police cruiser purchase in the budget. He stated that in past years the Budget Committee has asked for cruiser maintenance information and never received it. Carleton Robie confirmed that information such as mileage, history, maintenance program, and long range plans has been asked for several times. He said the Board had worked hard last year to not buy a new cruiser. At the end of last year, the Board encumbered \$12,500 for a cruiser, and plan to put that together with \$12,500 of the surplus at the end of this year to buy a cruiser. At that point, the Board would remove the \$28,000 in the cruiser line of the 2012 budget. This would make the total bottom line of the budget a decrease of .3%.

The Budget Committee went through the Town Budget department by department with the following comments/questions:

Conservation Commission – what the Administration line consisted of was questioned. Carleton Robie will get the answer.

Election Administration – depends on what date the primary will be set for – either December, 2011 or January, 2012.

Health officer – Ingrid Byrd commented that the budget has gone down due to decreases in professional clothing and lab fees.

Insurance – at this point this is an estimate only as rates have not been announced.

Police – Todd Allen stated again that he wants to see a plan for the replacement of vehicles in relation to what other towns are doing. Lynn Chivers said that the Committee can ask the Chief again at the meeting with Department Heads on the 20th. Carleton Robie said that the Board last year encumbered those funds for that purpose and it is ultimately up to the Board of Selectmen if they buy a cruiser or not. The fuel line has been increased. Judith Szot asked why since gas prices have dropped recently. Carleton reported that this line is looking to be overspent this year, that is why it was increased. Kim Byrd commented that he has seen an increase in the amount of patrols lately. Carleton reminded him that high visibility is why houses don't get broken into as much, and that there are several new officers who need to become familiar with the roads in town. Judith Szot asked how many officers we currently have. Carleton informed her that we have the Chief, 6 full time, and 3 part time officers.

Interest on long term bonds – Judith Szot pointed out that there is a savings of \$6,000 in that line.

General Government Buildings – Todd Allen pointed out that the Old Library Maintenance line has doubled. Carleton Robie reported that was to make sure it will not be overspent. He also reported that the town has received grant money for an evaluation of the building to determine what it will cost to make the building useful and functional.

Welfare – Lynn Chivers pointed out that the stipend was cut in half.

The bottom line of the budget is an increase over last year of \$17,539. If the cruiser is removed, it will end up being a decrease of .3%.

Lynn Chivers asked Cheryl Eastman to contact Department Heads and see if anyone is interested in meeting with the Committee on October 20 at the library. If no one is interested, the meeting will be cancelled.

Review town budget expenses and revenues

Lynn Chivers asked about the projected 30% remaining in the insurance lines. It was explained that this was a result of a combination of things: having a change in some personnel and the resulting changes in the health insurance selections and having budgeted for some potential costs that did not materialize due to personnel. Lynn Chivers hoped that it meant there might not be a large increase in insurance costs this year. Todd Allen reported that traditionally this line has had \$40,000 to \$70,000 left over at the end of a year.

There were no comments regarding the town revenues.

Review school budget expenses and revenues

Any questions the Committee had regarding the year end figures had been answered earlier while Dr. Littlefield and Karen Lessard were at the meeting.

On the enrollment report, under Special Ed, Ingrid Byrd wanted to point out that there is a surcharge beyond the regular tuition for regular students.

Expense report #6762. Lynn Chivers pointed out that this information is only for one month into the school year. Judith Szot questioned why the salaries line already shows a deficit of \$25,846. Ingrid will

find out. Judith also asked about the Extended School Year Program – Spec Ed – is that funded under Title 1? Ingrid will find that out as well. Judith also asked if there are any English Language Learners in our school. Ingrid reported that there were.

Other Business

Ingrid gave a list of Candia's Representatives and what Committees they serve on for general information. Cheryl will make copies for everyone's folders for the next meeting.

Lynn Chivers announced that Craig Sandler has resigned. She directed Cheryl to post the opening on the town website. It should state that the position is until next March, when someone will be elected to fill the position. Judith Szot commented that this is a big loss for the committee.

At 8:45, Todd Allen made a motion to adjourn. Seconded by Ingrid Byrd. All voted in favor. Motion carried.

Minutes respectfully submitted by,
Cheryl Eastman