

**Approved
Candia Budget Committee
Meeting Minutes
June 13, 2012**

Members Present: Matt Broadhead, Carla Penfield, Paul LeBlond, Judith Szot, Todd Allen, Emily Roster, School Board Representative, and Richard Snow, Board of Selectmen Representative. Christine Watson arrived at 7:08.

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

Old Business:

Chair Matt Broadhead announced that he had received an e-mail after he had posted the agenda which will change the order of the agenda items. Dick Snow had sent a legal inquiry to the Local Government Center (LGC) inquiring about three points of procedure. Matt distributed the e-mail and response from counsel. The three issues being raised are: the vote by secret ballot on April 11, something to do with attendance at meetings, which Matt will be addressing later, and about a quorum. The only issue that raises concern to Matt is the first issue. Matt read the minutes of April 11, 2012. Since the law states that the action can be invalidated, Matt called for an election for the position of Chair. **Judith Szot made a motion to nominate Matt Broadhead as Chair.** Dick Snow commented that we could just ratify the vote. Matt agreed that we could just ratify the vote, but would prefer to re-vote. Dick Snow told Judith to just ratify the vote. Matt corrected that there is a motion on the table. **Carla Penfield seconded the motion. All voted in favor. Motion carried. Matt made a motion to ratify any decisions made by the Committee, or the Chair, to date, just to be sure that anything that he had called to order, called a vote on, or agenda items that were addressed since his Chairmanship remain in effect. Seconded by Dick Snow. All in favor. Motion carried.** Matt announced that we are currently up to date and in compliance with the law and it was noted there will not be secret ballots by the committee unless it meets the small exclusions in the statute or right to know act.

Matt announced that Lynn Chivers has an excused absence for this meeting.

Approve Minutes

Dick Snow amended the minutes to remove the extra "e" on Paul LeBlond's name on page 7. Judith Szot asked on page 5, where it says "Kim said that the people voted for a budget" to add "They did not vote for a budget for us to return the money to the town." **Matt called for a vote to approve the minutes as amended. All voted in favor with the exception of Emily Roster, who abstained as she was not present at that meeting. Motion carried.**

Answer questions from last meeting:

School:

Revenue report: Emily Roster said the Committee had asked for a revenue report for this meeting. Emily reported that the revenue report is only prepared by the SAU office in October, January, April, and August. There will be one for the next meeting.

Turning back trust funds to the taxpayers: Emily stated that could be a possibility, but it would need a warrant article to do that since it was created by a warrant article, according to the SAU office. If voted to do so, it would be returned to the general fund of the school and then, in turn, if there was a surplus, it would be turned over to the town. Dick Snow stated that it is private money, put together from donations, and was put in there for a specific purpose and therefore cannot go back to the town. It will stay there until such time as something is done that involves a gym. He reported that he had spent all day at the Attorney General's office at a Trustee of Trust Funds meeting. He has copies of all of the info for the Committee to look at. Carla Penfield asked about the gym fund. Todd clarified that is the fund Emily was talking about. Carla asked if it is private funds, does it just sit there until something it done for a gym. Carla doesn't recall it being a private donation. She thought it was a warrant article. Emily Roster stated it will have to be researched. Todd stated that the year it was created, it does not show up in the town report as a warrant article. Carla stated that since Todd has already done the research into this item she feels comfortable that no more time needs to be spent on researching it.

Nurse, Professional Services, OT, and PT: All these expenses were for one particular student who required those services. There was \$19,000 showing on that report as remaining that might not be spent because the student has left the district. There are still some bills outstanding, but there should be some left.

\$60,000 for PT, OT: This is for someone who is on the payroll, not a contracted service. As a result, they deal with many students within the school, not just one.

Principal's Secretary Salary: This is not just one person in this line item. This is for the two individuals in the front office. One of them, a long-standing employee, did receive a significant raise that was voted on by the School Board. This was in order to bring that person up to a pay grade that was more consistent with the other districts in the SAU and other people in that "Executive Secretary" section and position. Emily had seen what her pay was and felt it was not an exorbitant amount of money, so it was a significant raise.

Additional money out of year end surplus: One item discussed was buying a new math program for K – 8 to meet the common core requirements. That will be a significant expenditure, but it will be included in the 2013-2014 budget. So, the budget that is presented to the Budget Committee next fall will include that. We don't at this point know what cost that will be because the program is currently still being developed. But they will have to purchase a new math program for the entire school to be in compliance with the new common core mandate. Todd asked if there will be enough info in the fall for the Committee to make an accurate budget. Emily reported that by the fall it will be finalized. Judith Szot asked how long they have had the math program they have now. Emily was not sure, but she reported that the program they use now was something that was created in-house and not purchased from an outside vendor.

Textbook purchases: The school is looking at a Language arts program for grades 6, 7, and 8. There is a line item in the budget for textbooks that has around \$25,000 in it. They will be purchasing that program before June 30 because they need to have that in place this fall. Todd asked, how do we know that the new program will be effective. Emily said that we have to trust the professionals and people

that are creating these programs, and they meet the common core. She also said that they have looked into possibly going with an e-reader format as a more cost effective way to get updated textbooks, but as of right now, the publishers do not have Language Arts in digital format. Emily said that the program that the experts come up with will be used for many years and will not have to be replaced in a year or two. Citizen Ingrid Byrd commented that when the Imagine It program came out, everyone thought it was the greatest thing since sliced bread, so she has some doubts about who to trust about what will be great. Emily clarified that the Imagine It program is still being used for K – 5. The new program will be to continue it on through grades 6, 7, and 8. Matt Broadhead stopped the conversation regarding Imagine It and directed the conversation back to the discussion of answering last month's questions.

Comments regarding the school board overspending their budget: Emily stated that Judith has claimed that the School Board is going to spend more than what was approved by the voters. That is not true because this is a bottom line budget and they can't spend over the budget. They might transfer funds between lines. Emily just wanted to get that in the minutes that the School Board is not going to spend more than was approved by the voters, because they can't. Judith said, according to the School Board minutes, they are going to encumber \$70,000 to pay for expenses that were going to be generated by the retirement of teachers. Those funds were planned to come out of the budget that was going to start this June. So, if you pay those funds out of this year's money, that leaves you \$70,000 out of the budget that starts in July that was earmarked for that expense, that can be used on something else. Emily responded that the School Board is not overspending their budget. They have a bottom line budget and they can move the money around between funds as they see fit. Matt stated that they both have made their positions clear.

Town:

Gravel expenses: Dick reported that the expense was for gravel that needed to be put down on Currier Road and Tower Hill Road due to a bad mud season. Matt clarified that the amount of gravel increased, not the cost of the gravel. Road Agent Lewis confirmed that the amount needed had increased. He plans on taking the funds from the sand line to make up the difference, since there was not much snow this year. Dick stated that he thinks that this year the Board will be looking at doing transfers between lines to more accurately show the actual expenses. Before he approaches the Board on this, he wants to look back in time and see if there is any kind of a trend line for gravel during the year and try to see an average over the past five years. He feels the Board should be moving lines between appropriations to more accurately reflect what we are actually spending. Bottom line stays the same, but the lines move around. Dick commented that this road agent is probably the least expensive in the state of NH and whatever he does, he doesn't have a problem with.

Old Library Building Expenses: The Town has paid out \$5,400 to the architect. \$2,500 in revenue came in last year through a grant. Diane Philbrick expects another \$3,600 in revenue, but it doesn't come until we pay all the bills. She thinks the total cost will be \$7,200 to the architect, and the total expense to the town will be \$1,100. That will be lower than what we had anticipated. At the Heritage Commission meeting tomorrow night, they will open bids for the work, which will let them have a warrant article at the next town meeting that will let the town decide if they want to spend the money or not. Next year it will show as a decrease in the operating budget, because that expense is not a normal operating cost, but you will see an increase in a warrant article to do the work on the building.

The Heritage Commission will have to explain that. Dick stated that he tries to get all the answers the Budget Committee wants, and relies on Cheryl to get the questions in the minutes, but if the Committee wants to give him a list of questions, he will make sure he gets the answers.

Review town budget expenses and revenues

Carla asked Dick Snow about the cruiser maintenance. The Budget Committee had asked for maintenance records to be kept for the cruisers. Dick said that he had talked to the Chief to see how they could come up with a maintenance budget. Dick has been collecting copies of maintenance invoices. He will put this into a spreadsheet when he has time. The Chief said if Dick wanted to do that it was fine. Dick thinks he will set it up and then turn it over to the office and maybe pay them a little bit more money to put the info in there. The Chief said he could get a software package that would add onto the system he has that will track that, but that will cost \$1,200. Dick hopes to be able to have some kind of a maintenance costs for the cruisers. Carla doesn't want to spend a great deal of money doing this, but just start now and carry it forward, for each cruiser. Matt suggested starting in January of this year. Carla wants to see a simple spreadsheet with miles, new tires, oil changes, whatever, so at the end of the year we could see a cost to keep that vehicle on the road. This should include year, make, model. Matt asked to have this report by the August meeting. There was general discussion of what to see on the report and how far back to go for information. Dick suggested that since he used to do this for a living, he can bring in a format for the Budget Committee's approval. He needs to capture a number of items, and put them in a format that will allow them to get whatever info they need because it will be extensive. Carla commented that they don't need something extensive, just something simple. She wants to know at the end of the year, the cost to maintain each cruiser. Matt asked for make, model, mileage, and the cost at the end of each month for that cruiser. This should be updated each month. Matt will come up with a format and will send it over to Dick to fill in the information. That way it can be kept simple. **Matt made a motion on getting make, model, and cost per month per cruiser, starting in January, 2012. Seconded by Carla Penfield. All voted in favor, except Emily Roster who abstained. Motion carried.** Todd questioned the gasoline line. It shows that 70% of the gas is spent already. Todd asked if they had an estimate of how much it will be overspent by. Dick stated that he asked the Department Heads to let him know of areas of concerns. That is one area. Also an area of concern is the labor at the Recycling Center. He has talked to the Police Department and Fire Department about gas and fuel. Judith Szot asked where we purchase our fuel. Dick reported that we have an agreement with the state to buy it at the state shed in Manchester. Recently we have started buying it at the Irving station, because they said we would get it at the same price. Dick has looked at the invoices and doesn't see that we are getting the same price. He wants to look at the cost to have the vehicles go out of town to get gas versus getting the gas at the Irving here in town. He realizes this is an issue and he is looking at it. Carla wanted to talk about what happened at the Selectmen's meeting last Monday night – about the raises. She doesn't want anyone to think she doesn't want salary increases. This is more about what went on at the Selectmen's meeting. She was taken aback by the fact that there was little discussion by the Select Board about how they came to the decision to give raises. She informed the Budget Committee that the Select Board voted Monday night to give 3% salary increases to the town employees. What confused Carla was that stipends were also mentioned. She could not clearly understand if the salary increases were for the people in the office, and the police department,

and the stipend people. She asked whether the Fire Department was discussed. Another thing not discussed is the matrix schedule in the Police Department. There are currently two officers on the matrix and they get increases as they move through the matrix. How this matrix system works has been discussed for many years by the Budget Committee. When the people on the matrix get an increase, and everyone gets a salary increase, the people on the matrix get two increases. It has been discussed in the past that the matrix should be looked at and maybe it's not a good idea. But none of that was discussed, so the public does not have any idea who is getting salary increases, who isn't getting salary increases, and how you came up with the idea to do salary increases when the town voted the budget down. A failed budget would say the town is not looking at giving salary increases this year. Dick said she brings up some excellent points. There was not a lot of discussion, but unfortunately that is the way the board is running now. It is not clear in Dick's mind yet how we are going to do this 3% increase. He feels that the salaries in the matrix will increase by 3%. The step raise in a portion of the matrix is totally separate from the COLA. The COLA says the level that is in the matrix changes by 3%. So those people that are at the top of the matrix would get the 3% raise. The people that are down below will get the 3%. Then when they reach their matrix point, when they reach their point when they go up in the matrix, they get that too. It appears to be a double raise. The raise for the matrix is in there anyway. The stipend thing was confusing because it appeared we were talking about the Board of Selectmen. Dick stated that he is not going to get a raise. The discussion that is taking place at the present time is "which one of the people that get stipends are officials whose salary is determined by the town meeting?" In that case, you can't change what the Selectmen get. Dick does not know what the final decision is. As soon as he knows it, he will let the Budget Committee know. It looks like the amount of money they talked about (\$12,000) is for the next 6 months, starting first of July to the end of the year. Dick stated he is not sure in his own mind if there are some of the stipend people that should get the 3%, but if that's what the Board decided, then that's what we'll do. Those that are getting the stipends will get the 3% on top of whatever they get. Matt asked if Dick had voted for it, even though he is not sure how it is going to be allocated yet. Dick said he did vote for it. Matt said that is troubling for someone in the legislative appropriations committee to hear. Dick stated there were a number of issues raised by the public. When you are sitting at the Board, you attempt to do something. You come up with a number that is a reasonable number. You figure how much does that represent in total wages, and you calculate your total wages and figure 3% and it comes up to \$12,000. Dick said the Board didn't go through the spreadsheet that was set up with all the people and all their wages and come up to the total at the bottom. That might change a little bit, based on the input and the questions that came up during the Selectmen's meeting. The number \$12,000 is what you are looking for. That represents a 3% increase. I don't disagree, but I think that is a matter that is best handled by the way the Board of Selectmen does its business, as opposed to a discussion of the Municipal Budget Committee. Emily asked if this was a current year budget transfer. Dick replied yes. Emily went on to say that this committee can't challenge or dispute that. Matt clarified that the committee can ask about the process and how the decision was made. Dick said that the Budget Committee has a valid point to ask what is going on this year. The School Board has from now through the end of June and what they do affects the town tax rate. But that isn't history yet. What the town has done is history already – it's in the town report. Carla asked how the Board of Selectmen look at the new money for the Fire Department. Do they view that as stipend or salary? Dick said that the paper presented to the Board by the Fire

Department which explains how they anticipate spending the \$40,000 which all was to take place during the month of December, has gone to town counsel. When it comes back, the Board needs to look at it and understand how that department is any different, if it is, from any other department. They did not present a plan that shows how they are going to distribute the money. They just said they have \$40,000 and in December it is going to get distributed based on something similar to the amount of time spent by members of the Fire Department that are active. Dick's concern is you don't want to get to a paid Fire Department. You want it to stay in the form of a reimbursement or stipend kind of thing. Dick can't explain how it will work yet. He doesn't anticipate the \$40,000 will get a 3% bump to it, but doesn't know. Judith said that she has been present at a couple different Selectmen's meetings where the Fire Department has presented a plan on how they are going to pay it out. Dick said only once has the Board seen anything. Judith repeated that she has seen it more than once. She also asked how the \$40,000 amount could be changed because it was a warrant article. Dick stated that if it was increased, the additional would have to come out of the operating budget. Judith reiterated that the warrant article was for only \$40,000, so how can it be changed? Dick said the warrant article can't be changed. He also said the warrant article said that the funds will be included in the next year's budget and he doesn't understand how they can do that either. Todd stated that since the fire department compensation plan was a warrant article this year, it cannot be increased or decreased. Dick agreed and said we can spend under \$40,000 and not spend over \$40,000.

Carla asked about the revenues report. She wanted to point out a couple things that make the revenues look skewed and look like you have more revenue than you actually do. Under charges for private duty it shows \$32,000 revenue, but in fact it's not really revenue. It's a wash item. Showing it on the revenue sheet makes you think you have \$32,000 in revenue, but you really don't. Dick said that it is revenue that comes in, but it is offset by the expenses in the warrant article. Judith agreed with Carla that it looks skewed because of the wash item. Carla brings this up because at the Selectmen's meeting, the Chair talked about increased revenues as a justification for the raises. Carla stated it's not the same thing as selling aluminum cans. Judith added that it is like the Welfare revenue line, because we gave it out and now it comes back to the town. It's not like registering your dog, or your car, it is a wash. It looks like we have \$88,000 more in revenue, but most of that is just a wash. Carla stated that the report doesn't need to be changed. Her point was that the Selectmen said there is increased revenue, but there isn't really because you need to take out those wash items. There was further discussion of how the revenues are shown on the report. Todd said that the issue is using this report to justify giving raises. Dick said that is a political issue.

Review School May and June Budget Adjustments

Citizen Ingrid Byrd asked about the bottom line on the expenditure reports and the projected financial position and the fact that the remaining balance amounts don't agree. Emily replied that one report shows the actual encumbrances so far and the projected financial position report shows the projected anticipated encumbrances and expenses. It was discussed that this same question was talked about at length at the last meeting. Judith asked if the May adjustments have been approved by the School Board. Emily confirmed they have been. Judith clarified that they have taken \$70,000 out of this year's

budget to pay for the retirement payments that were budgeted in the coming budget, so that frees up \$70,000 in the coming year budget that is unattached.

Review school Budget Expenses and Revenues

Carla asked about breaking out the high school tuition in the report. She was reminded that starting July 1, 2012, they will be broken out. Carla asked what the number for the actual capital expenses and tuition were for this past year. Emily will get that number. Judith asked what lines the \$70,000 was transferred into. It was explained that it was put into Teacher Salaries. Carla asked about the School Board not adding the two busses. She had not heard any discussion about this decision and how it came about. What things did they look at? Emily stated that the decision was made by the Board at their leadership seminar, which was a public meeting. It came down to cost. They did not get their budget approved by the town. After going forward with the Kindergarten, which they felt very strongly about, they thought it just wasn't the right time to increase busses. She went on to say that they will be spending some of that money because they will have to reimburse teachers for extra time on the playground, because they are not adequately staffed on the playground for that many children. Carla asked why the busses come into the school with only about 10 students on a 60 passenger bus. Have you discussed why students aren't riding the buses? Emily stated that they have to by law provide a seat on a bus for every student. Some don't ride buses because of the long time they spend on the buses. She stated it is very difficult because of the Manchester situation. We have two busses that don't arrive back in town from Manchester until ten of eight. Matt asked to table the discussion because it is not what the Committee is discussion today. Ingrid Byrd stated that the bus company said about a year ago that they had new software and could use that to re-route the buses, but we haven't heard anything from that.

Review school enrollment

Emily reported that on future reports, the Special Education will not be broken out separately because that violates the privacy law, since we have one child at a particular school, it is too easy to tell who it is.

Proposed Amendment to the Budget Committee Rules of Procedure

Matt explained that the Committee is not voting on anything today. He is just giving out proposals to review. Todd and Matt both had proposals. The statute states if a member misses four consecutive meetings without excuse from the Chair, they can be automatically removed from the Committee. Our rules state two missed meetings. Both Todd and Matt's changes reflect this. Matt's is also numbered, with a reference section. Dick asked about a definition section. Matt's has a definition of an absence and an excuse. Matt's definition of absence is "failure to appear at an officially noticed meeting". Appearance meaning you don't show up. You fail to show up. Any member who is present at any point of an officially noticed meeting is not deemed to be absent. This covers if somebody has to run home, an issue at home, child care issue, or whatever, they are not counted as being absent. Matt has excused absence defined as providing prior notice to the chair, regardless of the substance, as long as there was prior notice, then the chair has to excuse you. If you do not provide prior notice, you have to provide an excuse within 24 hours after the meeting, and then the chair has discretion whether to excuse it or not. This will be open for discussion at the next meeting. There was discussion between Dick and Matt as to

whether the proposals could be amended today. It was explained to Dick that according to the rules of procedure of the Budget Committee they cannot be amended today. It will be discussed at the next meeting.

Other

A request to discuss the goals and objectives of the Budget Committee was made to Matt by Dick. He would like to table that until after the training on Tuesday, August 7 at 5:00 p.m. at the Plaistow Town Hall. It is possible that the LGC budgeting booklets will be handed out at that meeting, but Cheryl will confirm that.

Matt recommended that there be no Budget Committee meeting in July. The next meeting will be on August 8. Dick questioned who Matt was going to delegate the responsibility of notifying the website of the change in schedule. Matt replied that he will talk to Cheryl about it. The School will have the June 30th year – end reports at the August meeting. **Todd moved to cancel the July meeting. Seconded by Christine. All voted in favor. Motion carried.**

At 8:30, Christine made a motion to adjourn. Seconded by Todd Allen. All voted in favor. Motion carried.

Respectfully submitted by
Cheryl Eastman