

**Approved  
Candia Budget Committee  
Meeting Minutes  
August 8, 2012**

**Members Present:** Matt Broadhead, Lynn Chivers, Carla Penfield, Paul LeBlond, Judith Szot, Todd Allen, Emily Roster, School Board Representative, and Richard Snow, Board of Selectmen Representative.

The meeting was called to order at 7:01. Matt led the Pledge of Allegiance.

Matt announced that Christine Watson had an excused absence for this meeting.

**Old Business:**

**Approve Minutes of June 13**

Matt asked to insert “about”, on page 6, second full paragraph... (Carla asked “about” the revenue reports.) **Carla made a motion to accept the minutes as amended. Seconded by Paul LeBlond. All voted in favor, with the exception of Lynn Chivers who abstained. Motion carried.**

**Proposed Amendment to the Budget Committee Rules of Procedure**

Matt said that he had proposed inserting an outline form for the existing rules of procedure and a reference section. There were also two substantive proposals given by Matt and Todd that had similar text. Todd’s proposal brings the existing rules of procedure in compliance with existing State Law. Matt’s proposal went a little bit further in defining some of the terms used. **Todd made a motion to accept Matt’s proposals both for the numbering and the additional text. Seconded by Lynn.** Matt opened for discussion. Matt explained his proposal for a definition of excused and unexcused absences. If a member misses four consecutive meetings without reasonable notice or being excused by the Chair, they are automatically removed from office. That follows state law. What is left up the Committee to decide is what is considered an absence or excuse. Matt defines an absence as a failure to appear at a meeting. He feels this gives some flexibility to someone that might have a child-care issue, or needs to leave a meeting before it is completed. If a member shows up for a meeting, they are considered to be present. If a member gives advance notice of not being able to attend a meeting to the Chair, then it is an excused absence, regardless of the reason for not attending the meeting. If someone misses a meeting with no prior notice given to the Chair, but within 24 hours after the meeting, the Chair had discretion to accept that reason or not, to call it excused or unexcused. Dick suggested making the absence explanation be two sentences – to take out the semi-colon. Dick also wanted to change the lettering and numbering to be consistently letters. Dick also asked to add a date of adoption. Emily asked to change the wording of the membership section II – A -2 to “one member of the governing body of the school district” to keep it consistent with the wording of “one member of the governing body of the municipality.” **Judith made a motion to amend it to say “one member of the Select Board and one member of the School Board...” Matt seconded. All voted in favor. Motion carried. Matt called for a**

**vote on accepting the new amendments and using Matt's proposed language. All in favor. Motion carried.**

**Answer questions from last meeting:**

Town – Dick passed out information on the costs of cruiser maintenance, broken out by vehicle. He said he still owes the Committee information about the mileage on the vehicles as well. Dick asked if this gives the Committee the information they wanted. Lynn stated that her expectation of the report was different. Matt asked Lynn to come up with a report format for the Committee to talk about that might be easier to read. Dick will e-mail the spreadsheet he created to Matt.

3 % COLA - Dick explained that everyone who works for the town and receives a salary, or a stipend (except for the five SelectBoard members), and every hourly employee of the town, with the exception of one employee who declined the 3% increase, received the COLA. He stated the total cost of that was roughly \$13,800. Carla stated that some stipends paid to elected officials are decided by the voters and therefore the Board of Selectmen cannot increase them, such as Tax Collector. Dick said that stipends, like all the compensation, is part of the operating budget and the budget is approved by the voters. Carla asked if the Select Board considers stipends wages. Dick replied yes. Judith asked if the town takes out and pays FICA and Medicare out of the stipend amounts. Dick confirmed that everyone that receives compensation from the town has taxes taken out. Carla clarified that everyone that receives some compensation from the town, either salary, stipend, or hourly, will be increased by 3%. Dick said yes. Lynn asked about the police matrix and if that had been increased as well. Dick said that the steps in the matrix will be increased by 3% as well. He confirmed that there are only 2 officers on the matrix that have not reached the top of the matrix. Lynn asked if the officers on the matrix will therefore receive two 3% increases. Dick explained that the COLA and a step increase occur at two different times. A COLA was given, and then when the employees review comes around, they could get moved to the next step as well. Carla asked if the Selectmen had discussed where the money is coming from in the budget. Dick said that there has not been a specific discussion, and no budget transfers have been done as of yet since the default budget was set. Carla asked how the COLA will affect the Welfare Director's wages, since the budget line shows \$10,000. She remembered that the stipend had been reduced to \$5,000. Dick explained that the welfare wages line was converted last year to an hourly paid position. Her hourly rate was increased by 3%. He went on to say that the budget line has \$10,000, but she may not earn all that amount. It will depend on how many hours she works. Lynn asked if the fire department compensation plan will be affected by the 3%. Dick said the Fire Department was not included in the increases. Dick stated that he still is not clear on how the compensation will be divided amongst the active members of the Fire Department. Dick said that the fire department compensation was a warrant article for \$40,000 and that amount will be divided up between all participants, but will not go over the maximum of \$40,000. Judith asked if the Board will give the Committee a report of any budget transfers they decide to make. Dick replied that they would if and when budget adjustments are made.

Carla asked about the police gasoline line. It is currently showing only \$803 left in the line through year end. She asked what was going on this year that wasn't going on last year. Has there been more patrols? Dick said the price of gas has gone up. Judith commented that the price of gas is about the

same as last year. Dick went on to say that he needs to look at the number of gallons used last year vs this year. Dick was concerned about the numbers that were coming in for gas. We had started getting fuel from Irving. He did not believe that we were getting the \$3.13 that was the same amount that we would be getting from the State. There was the argument of driving from here to Manchester, you use gas to get there, lose time, and the officer is out of town for that time. He thought if maybe we paid a little bit more at Irving, that would make sense. However, we got a letter from the Supervisory Manager at Irving that he would match the \$3.13, and in fact the deal we were getting at the time was lower than \$3.13. Dick looked at the receipts for fuel, but he is not convinced that we are getting the right price. The information from the Police Department is that they are adding up the costs and dividing it and coming up with \$3.13. Carla stressed that there is only \$800 left in that line. Dick stated this line could have been under-budgeted. Matt asked Dick to bring back information on the number of gallons used and the costs over last year. Todd asked if the budget had changed from last year. The line in 2011 had \$17,000, which is the same as 2012.

School – Emily submitted information on high school tuition and capital expenses. Emily explained that the base tuition amount was (using June enrollment) \$1,288,000 divided by 178 students, which is \$7,237.37 per student. The capital costs were \$1,563.16 per student. That brings the total costs to \$8,800.53 per student. Added to that will be an additional cost of \$64,400 for improvements done but not billed yet, which is \$361.80 per student. The total estimated cost is \$9,162.32 per student. This does not include any special education costs. This is just the base tuition and capital costs. Carla thanked Emily for supplying the information. Todd asked if the potential additional payment would be made up of base tuition or capital costs, or both. Emily was not sure but thinks it will be capital. She will find out for sure. Dick asked why the Committee wants the capital costs to be broken out. Lynn said that sometimes we don't have capital costs. Karen Lessard had explained that we will always have the tuition costs, no question about it, but we are never sure about capital costs. It helps the Committee to look at each of them broken out – to see what is a definite and what may be variable. We would certainly budget for both. Emily stated that the capital costs can change month to month and year to year. It is based on all the actual capital improvements. That is our share of that. In past contracts, tuition was the only cost paid. In the new contract for the next 20 years, the capital costs were allocated out to all the various towns that use the schools in Manchester.

**New Business:**

**Brief discussion about Budget law training**

Matt explained that some members of the Committee attended an LGC budget training seminar the night before. He explained to the audience how the budget process works. Around November or December, the Budget Committee gets proposals from the Board of Selectmen and the School Board. These come to the committee as budget proposals for the following year. The proposals then go to a public hearing, one each for the Town and the School. The public is invited to attend and put forth their input into these budgets. The Budget Committee will then convene and confer and will make a decision for the Budget Committee's recommended budget. That proposal goes to the Deliberative Session, where it can be amended up or down, but not more than 10% of the Budget Committee proposal. He feels it is important to have a level of activism. The Committee can only propose things, but the power

to set the figure really happens at the Deliberative Session. Whatever number is set by the Deliberative Session is compared to a default budget, which is basically a statutory formula based on the existing budget. The budget is voted on by the people and if it fails, the default budget kicks in. That is what happened last year. Matt learned that the Budget Committee has the authority to go directly to department heads or school officials and ask for information to be given directly to the Committee, not necessarily run through the Selectmen or School Board. The Committee cannot mandate the department heads attend the meetings, but they do have to give any requested information, provided it is fiscally pertaining to Candia. He also learned that the job of the Budget Committee is to scrutinize every single line item. Todd added that it was worded by the LGC attorney to “second guess” the governing bodies. Todd commented that he learned that if a charitable organization accepts money from the town, there has to be an implied benefit to the citizens – or a public purpose. Therefore, they cannot refuse to serve anyone from Candia. As far as the CYAA is concerned, it is more of a political issue, than a public purpose issue. It was Todd’s understanding, from the perspective of the LGC attorney, that it needs a little bit more care and concern from the CYAA for working with the town for getting approval for funding.

Matt announced that they did not give out the current copy of “Budgeting Law” from LGC. The text is being edited, updated with new laws, and then re-printed. When the book is ready, they will let the Committee know.

Todd also added that because of a new RSA, the legislative body can now vote to include an estimated tax impact for any expenditures printed on the warrant. They did caution that the amounts would only be a “wild guess” estimate and impossible to accurately nail down. Todd said he would send out copies of the notes from the seminar to all Budget Committee members. Kim Royer, School Board Representative back-up member, added that she learned that the “no means no” rule is only valid for a warrant article that has a dollar amount. Todd added except in the case of Capital Reserve Funds or Expendable Trust Fund that have an agent named to expend. Kim Royer went on to say that a default budget is a bottom line number and can be used however the governing board decides, provided that the bottom line is not exceeded. You do not necessarily have to do business the same way you did business the year before. Anything can be done as long as the amount is not over-spent.

#### **Review town reports**

Judith commented that the revenue report looks like the revenues are increased over last year, but she added that some items listed are not actual revenue. Some are wash items, with expenses against them, such as the private duty police. Emily stated that you can’t take them out of the report without taking out the expenses as well. You have to show both revenues and expenditures separately. Carla asked if there was a way to flag those items on the revenue report to mark them. Dick said the bottom line on the comparative revenue reports shows an increase of \$212,928. He looked at some of the lines that have large differences. Looking at the EMPG Grant that has \$74,470 this year. That was money that came in, but it also had expenses. The expenses were not included in the appropriation because the revenue was received as an unanticipated income. Carla stated that it is not really income. She said when you sell aluminum cans, or dog licenses, that is income. She stated that the things like the grants,

you don't know if you are going to get them again, you can't count on them. Todd suggested maybe having an additional column on the expenditure report that shows any offsetting revenues. The subject was tabled by Matt. He said if someone comes up with a good idea on how to show these numbers, they can bring it up at a future meeting.

Town expense reports – Lynn commented that the town building expenses line for electricity is going to be overspent. She suggested that the employees turn off A/C units and lights when an office is not in use. She said that is what they do at the Library and they have seen a substantial savings in their electric lines. She said she walking into the town office this morning and there were air conditioners going in empty rooms. She doesn't want anyone to be uncomfortable, but thought that a little more diligence on the part of the employees would help to get that a little more in line. Lynn said the Deputy Town Clerk wages line is also projected to be overspent. It was said earlier in the meeting that the Deputy Town Clerk is paid by a stipend, so why will it be overspent. Cheryl explained that the Deputy Town Clerk is an hourly paid position, not a stipend. Lynn asked if the Deputy has had her hours increased. Dick is not sure. Matt asked Dick to get the answer for the next meeting. Judith asked Dick to look at the Welfare Director's wages line also.

#### **Review School reports**

There are no reports from the school since the School Board doesn't meet until August 23 and the reports will be released after that meeting. Todd asked if the School Board has any idea if the budget was overspent, or an amount of surplus. Emily did not know. Matt tabled this topic until the next meeting.

#### **Other**

Matt announced that he was going to open the floor for public comment. He said free speech comes with responsibilities. He reminded everyone to be respectful and listen to the speaker and everyone would get a chance to speak.

Betty Sabean of Jane Drive announced that several weeks ago a letter had appeared in several local businesses. She read the letter into the record and presented it to the Committee as follows:

"To the Candia Budget Committee, We would like the Budget Committee to reduce the Candia School Budget. We feel the School Budget is excessively high. The School Board is not and has not listened to the Candia voters. The budget contains a great deal of wasteful spending. We would like the Budget Committee to consider the wishes of the voters. At the 2012 town meeting the voters said no to most of the spending articles in school warrant. The voters said no to the budget the School Board submitted. We want a reduced budget." Betty announced that 135 residents had signed the letter. Betty added a personal comment that wanting to rein in the school budget is not mutually exclusive to support for education. You can do both. You can do it intelligently.

Matt said that copies of the letters will be sent to all Committee members.

Selectmen Amanda Soares commented that the information Dick had given about the Welfare Director's wages was not entirely correct. She reported that during the budget season, the Select Board voted to change the Welfare stipend to an hourly employee. The Board proposed it in the budget. In January, the Board collectively voted to change the Welfare Director's salary to \$5,000. This vote was done in a public meeting. The Board has never voted since then to change it to anything other than \$5,000. The 3% increase would affect that, but the Welfare line is \$5,000, not \$10,000 and it has never been changed. Dicks' number is incorrect.

Kim Royer asked who had written the letter that was submitted to the Committee. No one knew who had started it. Betty Sabeau reported that her husband had gone to the Candia General Store and saw it. He told her about it and she went in and signed it. Weeks went by before someone asked her to submit the letter this evening. Kim commented that she was curious because if you write a letter, you would sign your name to it. Betty commented that she had signed it, as did Amanda Soares, Ingrid Byrd, and several other audience members. Matt said that basically what we have is a bunch of signatures attached to the same text.

Bob Dabrowski of High Street explained that the revenue issue could be simply resolved by showing recurring and non-recurring revenues separately, or operating and non-operating.

Mary Ellen Dares of Crittle Hill Road asked how the Welfare Director can be paid hourly if she is on call 24 hours a day. She said you can get in touch with her anytime you need her. Amanda Soares replied that she is not on call 24 hours a day. Her phone is only in operation from 9 to 5 Monday through Friday. Mary Ellen asked why her wages were cut. She went on to explain that the Director's responsibilities had been reduced. Mary Ellen said she found that hard to believe. Matt advised that it is a comment that should be directed to the Selectmen. Amanda told her the next Board of Selectman meeting is on the 13<sup>th</sup> and she could come and ask the question.

Matt commented that what the Committee does here – they do have to consider the balance of the burden to the community and the benefit of the students. With the recession comes the stagnant economy, low wages, people that have jobs working long hours. It is a big burden to the community and you add to that the residential mortgage crisis, and home values deflating. Generally it is a squeeze. He appreciates the petitioners coming forward and putting their fingers on the issue. It is something the Committee will take seriously in the next budget season. However, the biggest preventative measures to another recession is education and investing in education and in the children to ensure it won't happen again. It is a very difficult balance. Citizen Ingrid Byrd commented that she had calculated the proposed budget, took out all the high school tuitions, counted only the students at Moore School. The cost per student at Moore School was between \$12,000 to \$12,500 per student. The tuition we pay to Manchester is going to be a little under \$9,000. It seems to her that there is a lot of money going into Moore School. Emily commented that Ingrid is not comparing apples to apples when you compare Central to Moore School because the population at Central is so much larger to divide the fixed costs amongst than the population of Moore School in Candia. Paul LeBlond added that since Ingrid's

comments are in the minutes, people may take it as gospel. He wanted to make clear in the minutes that the number may not be accurate.

Lynn asked Dick about the Old Recycling Center closure costs going from \$35,000 to over \$138,000 and how did we get to this point. Dick said that the Board of Selectmen will have a meeting on the 13<sup>th</sup> and they will be discussing this issue. He invited anyone to come to the meeting. Judith commented that according to the recent article in the paper by Dick shows the difference is that the town had said that they are "closing" the facility, and Dick has talked about "reclaiming" the site. That is the difference in \$35,000 to \$138,000.

Bob Dabrowski said that starting maybe 10 or 15 years ago, there should have been money set aside each month to fund the closure. That was never done.

Carla asked about the possibility of the Budget Committee sending out an informational flyer to all the residents that helps explain the budgeting process and the importance of voters attending the Deliberative Session. She feels there are still a large number of people in this community that do not understand how the process works. They do not understand the importance of the Deliberative Session. They think that the important thing is to go to the ballot box. There was discussion about the cost to produce and mail a flyer and where the money could come from. Carla feels there may be donation money from a resident that could be used to cover the costs. Lynn said that workshops were also talked about, but was not confident that it would be well attended. Matt thought it was a great idea, but the text of what will be in it needs to be agreed upon by everyone. **Matt made a motion to appoint a sub-committee of 4 members, made up of the Representative from the School Board, the Select Board, and two members of the Budget Committee to draft up a format. Todd seconded.** There was further discussion regarding the membership of the sub-committee. Matt said that there are two issues, the content of the mailing and the funds to mail it. Dick suggested putting something on the website. Carla feels there should also be a mailing. There was discussion of using the town bulk mailing permit. Matt called for a vote on his motion to create a subcommittee of four members, two of which would be representatives of the governing bodies. **All voted in favor. Motion carried.** Matt called for nominations for the two positions from the Budget Committee. Carla suggested Selectmen Kelley, since he had brought up the idea. Matt corrected that since it is a subcommittee of the Budget Committee, the members have to be from the Budget Committee. Todd said he could simply send a draft format out to everyone and it can be discussed at the next meeting. **Matt made a motion that Todd draft a format, circulate it to everyone, and discuss it at the next meeting. Judith seconded. All voted in favor. Motion carried.**

**At 8:35, Todd made a motion to adjourn. Seconded by Judith. All voted in favor. Motion carried.**

Respectfully submitted by  
Cheryl Eastman