

**Approved
Candia Budget Committee
Meeting Minutes
January 17, 2013**

Members Present: Matt Broadhead, Lynn Chivers, Carla Penfield, Todd Allen, Paul LeBlond, Judith Szot, Emily Roster, School Board Representative, and Dick Snow, Board of Selectmen Representative. Christine Watson arrived at 7:05.

The meeting was called to order at 7:03. Matt led the Pledge of Allegiance.

Old Business

Approve Minutes

Lynn made a motion to approve the minutes of 1/9/13 as submitted. Seconded by Matt.

Carla spoke about the school warrant article for retaining up to 2.5% of the school surplus. She had spoken to the Department of Revenue Administration and learned how the amount would be calculated. To calculate the town fund balance, the total of the town budget, county budget, and school budget are added together. The State recommends that the town retain between 5% and 8% of the total for the fund balance of the town. The Government Finance Officers recommend up to 17%. Carla reported that there is over 1 million in that account right now. This can be used for an emergency only and in order to be used the Budget Committee has to request and approve the usage. As for the school, the NH School Board has recommended that 2.5% of a yearly budget be set aside. The DRA is not requiring it. The number is calculated from the MS-22 form submitted by the school. The total number, minus estimated revenues, minus the adequacy grant amount. The amount that can be retained is 2.5% of that number. For this year, that number is \$156,890. That number will change every year and will have to be re-figured every year. The 2.5% amount is the total allowed amount to be retained. It does not keep adding up year after year. If the 2.5% maximum is exceeded, the overage will need to be refunded back to the town to offset the tax rate. Carla also said that even if there is a major event, the town fund balance cannot be used for the school in any way. It cannot be done as a loan to the school either. Town and School funds cannot be transferred between the two. Emily asked about the question regarding the wording of the warrant article. Matt will put the question in writing and send to the school attorney for an answer. **The vote to accept the minutes of 1/9/13 was 9 to 0. Motion carried.**

Matt reopened the public hearing on the town budget. Chief McGillen spoke about the warrant article to set up a Special Detail Revolving account (Article #22). He explained for clarification that all costs for details, such as the officer compensation, any retirement costs, vehicle costs, would come out of the special detail revolving fund. Judith questioned again how the bookkeeping aspect of it would be handled to ensure that expenses would not be charged to the Police Department operating budget instead, which would show the operating budget as being over-expended. Cheryl explained the process that is already in place to reimburse any payments back to the operating budget for any items that are charged to any of the various other funds already set up. This fund would be handled the same way. Todd asked if the

discussion of increasing the Emergency Management line for Generator Fuel to \$1,200 has been discussed at a prior hearing. It was confirmed that it was brought up at the 1st public hearing.

Hearing no more comment from the audience, **Todd made a motion to close the public hearing. Seconded by Judith. All in favor. Motion carried.**

New Business

Finalize Recommendations on Town Budget

Operating Budget

Lynn Chivers asked if the Board of Selectmen had encumbered any funds at the end of 2012 that would affect the 2013 budget. Cheryl reported that there was \$3,000 encumbered for the Cemetery Department to do some repair work on a stone wall. The money was encumbered because the work cannot be done until spring. There are also invoices for approximately \$6,000 for parking lot repairs at the fire station and approximately \$3,000 for repairs to the pump on Engine 3. The work has been contracted but not done yet. These figures were not included in the proposed 2013 operating budget.

Dick addressed the Committee and said the Board of Selectmen did not recommend the Budget Committee preliminary proposed budget by a vote of 3 to 2. The Board of Selectmen requested that Dick let the Committee know that they think their budget is the best choice and ask them to reinstate the budget to their original request. **Todd made a motion to approve the town budget at \$2,338,543.** Matt clarified that Todd intends to move the Budget Committee's proposed budget. Todd agreed. **Matt seconded. Matt made a motion to increase the Building Inspector's wages line to include the 1.7% COLA.** Lynn stated that none of the salary lines in the 2013 Selectmen's budget includes funds for the 1.7% COLA. The COLA was given after the Board of Selectmen submitted their budget and the Board stated the departments can find the money in the proposed budget. Lynn felt that if we increase the Building Inspection budget, then we must increase all the salary lines. **Matt withdrew his motion. Matt made a motion to reduce the Building Inspector Retirement line to \$1 and increase the Software Support line to \$914. Emily seconded.** Todd said the new bottom line in the Building Inspector budget will be \$67,317 if those changes are approved. **Vote was 9 to 0 in favor. Motion carried. Emily made a motion to increase the Emergency Management Generator Fuel line to \$1,200.** Carla asked why the generator runs on diesel and not propane. Road Agent Dennis Lewis said that the generator is a diesel generator because if it was propane, they would have had to bury a very large propane tank, which would have been difficult and more expensive. Also, given the size of the generator, it would run through propane a lot faster than diesel when it is actually running. **Todd seconded. All voted in favor. Motion carried. Matt made a motion to reinstate the Board of Selectmen budget in the Emergency Management lines for Photo ID, Training and Education, and Fit Testing.** He feels that when it comes to emergencies, we shouldn't mess around with it. **Seconded by Emily.** Todd commented that any emergency that could occur will quickly eclipse a \$2,000 - \$3,000 budget. These amounts should be for the year to year operations that are actually done, not what might be. Matt said that the budget itself isn't for emergencies. It is for equipment and training. If this is what they feel they need, we should support them. Emily

added that the person running the Emergency Management department is doing the work gratis. We would be sending the wrong message if we say we want you to do more for free. Carla agreed that it sends the wrong message because the Emergency Management Director has brought in lots of dollars to the town. Judith commented that she has a problem with the Fit Testing line because every year they say they are going to do it, but they never do. **Carla called the vote. Todd seconded. All in favor of calling the vote. Motion carried. The vote to increase the Photo ID line to \$100, the Training line to \$250, and the Fit Testing to \$1,500 was 4 to 5. Motion failed.** Todd announced the new total in the Emergency Management budget is \$3,051. Carla felt that we didn't need to increase the two lines that we increased in the Highway Department. She knows she is outnumbered on this, but wants the Committee to know that more money is spent on the highways than you see in the highway budget. Judith said that last year there was \$40,000 more spent for asphalt. She said the gravel money comes out of the Moore Highway Fund. Over the last two years, that amount was an extra \$20,000 and \$10,000. Dick said that he personally did not agree with the Board of Selectmen's encumbrance of \$40,000 for asphalt maintenance last year. He feels that was not the proper way to do it. He explained that the Moore Highway Fund is income from a donation given to the town of Candia to allow them to have additional money to be able to take care of the highways. It was not given to the town to reduce the tax rate. The Highway budget is agreed to by the voters and the Budget Committee. In addition, the Moore Fund is available to the Road Agent to do something that is over and above what it appropriated by the town for normal maintenance. Carla feels that is her point exactly. The operating budget is not the only money that is spent on highways. She feels that since we spend this additional money every year, we shouldn't have to increase the budget by this insignificant amount of money. She feels we do not see clearly what is being spent on highways. Judith said if Dennis had wanted this, he should have asked for it. Carla commented that Dennis did not ask for this increase, the Budget Committee took it upon itself to add it. Dick feels there are two issues here. Money being spent over and above the budget. He said the Highway budget is like a balloon. If he has to spend money on Currier Road on gravel, something else that should be done will not get done. The maintenance necessary to maintain the road system in the town of Candia is not being done. Todd said that the Highway budget has been short most years since 2005. There may have been offsetting federal funds, but was still short of money for highway maintenance. Carla argued that some of those years the town received federal money. Todd agreed and said that we weren't necessarily over-expended, but not under expended either. Judith made a motion to reduce the cruiser line to \$1. Seconded by Lynn. Judith said the Chief has said the cruiser is not safe, but has not given anything that says why it is not safe. Nothing specific was given. We have 7 vehicles and only two officers on duty at a time. We are in the fifth year of a recession and have to get reins on the budget. If the Board of Selectmen are careful and there is money left over, they can buy a cruiser. Todd agrees that there was no objective reason. He has seen an audit of Police Departments in Texas. Most towns audited had a policy of fleet management to replace every vehicle at 75,000 to 175,000 miles. Automatically. Todd would like to see an objective reason to replace the cruisers, but if that is the standard practice across the country, then he can agree with that. Carla said to leave \$1 in the line and let the Board of Selectmen decide. Paul stated that when the Budget Committee voted to put it in the budget, we were going to defer questioning the Chief more on the cruiser. There were no questions for

the Chief. He can't talk to it now because the public hearing was closed. The Committee put it in, had a public hearing, nothing was talked about, and now we are going to cut it? Dick agreed, saying it is a little late in the game. He added that the Board had not done things appropriately in the past. We all wanted the public to have the opportunity for input. There will be discussion at the Deliberative Session. If the Chief really needs a cruiser, then the money is in there. To pull it now would not be appropriate action by the Budget Committee. Matt said when an officer gets in their car, he wants them to be confident that it will start, make it up the hill, and come to his house in an emergency. He doesn't want to be the one to recommend not replacing the car and then have it fail and can't respond to an emergency. Judith said if something is wrong with a car, it should be fixed immediately. Matt said that if a cruiser is over 130,000 miles there will be things that go wrong with it. You can't take the whole car apart every time they do maintenance just to look for things. 130,000 miles on a cruiser is equivalent to a lot more miles on a regular car. There is more wear and tear. Lynn said the maintenance repair report was requested by the Committee so they could be more informed. We have the information. We see that there hasn't been much expenses associated with this car. This is the car they use to go to details, or to court, not to respond to emergencies. Todd said if there was a quote of \$6,000 to fix the car, he would say replace it. Matt said if this line is reduced to \$1, it will be brought up at the Deliberative Session. Emily said that the Chief said the cars aren't driving tight anymore. That is more of an overall frame, suspension issue, which is more expensive repairs. Christine feels we should leave it as it is. **The vote on reducing the cruiser line to \$1 was 3 to 5 with 1 abstaining. Motion failed.** The new bottom line for the budget is \$2,339,064. Dick asked about the written request from the Town Clerk to increase the Municipal Agent, Vitals, and Titles line by \$500. **Dick made a motion to increase the Municipal Agent line by \$500. Seconded by Matt. All in favor by vote of 9 to 0. Motion carried.** The new bottom line is \$2,339,564.

Final vote to approve the bottom line as adjusted was 9 to 0. Dick said he is voting as a Budget Committee member to support the efforts they have made this past year, as opposed to voting as a Selectman.

Warrant Articles

Todd commented that the total of all the warrant articles is close to \$1,000,000. Usually the total is around \$500,000. That is a large increase. Some items are very important, but some are not as crucial.

Matt reminded the Committee that whatever the Committee votes today, that will set the 10% rule maximum increase allowed at the Deliberative Session. Carla asked Dick if the Board had thought about the 10% rule when they assembled the warrant. Dick said they looked at doing some of the items as bond articles. The Board is aware there is a lot of money on the warrant this year. The impact on the tax rate was looked at. He didn't look at the 10% rule in creating the warrant. He reminded that the DRA starts at the top of the warrant and feels that the most important things should be listed first.

Article #3. Bond – Old Smyth Library renovations. Carla made a motion to not recommend. Seconded by Todd. Carla said her motion was based on the fact that it is a charming building and she is in favor of preserving it, but can't see spending that kind of money on the renovation. This is more than preservation; it is creating a meeting room. She feels we don't need another meeting room. The dollar amount has increased by \$13,500. Judith said the proposal started

with \$120,000. Now it is at \$163,500. Matt said he supports the project, but is disappointed that it is incurring debt. He sees no benefit in this recession to pay interest on something that should have been covered by the operating budget. He can't justify interest on this. Todd feels this is worthwhile, but in these economic times, this is a luxury and we don't need it. Emily said it is a luxury item, not an emergency. The building can sit there and wait for money to be raised privately. Dick said the town approved \$500,000 on the new Smyth Public Library. He added that the tax rate impact on this article will be \$0.40 per thousand. This is structured as a bond article. We can borrow the money, pay it back over ten years, and the tax impact will be only \$0.04. This is as cheap a rate of interest as you will ever get. Construction costs are as cheap as you can get. The people that benefit from it will be the ones paying for it in the future. It just makes sense. If you are going to do it at some time, this is the least expensive way to do it. This is a town building and we should put it to use. Judith said there is a line item in the budget for this. There is excess money in the town budget. If the Board of Selectmen wanted to, they could have done some of the work instead of turning the funds back. Even if it is cheap, it doesn't matter if you don't have the money. She added that every \$400,000 is \$2.50 in the tax rate. Matt said maybe staging the plan over several years would have been better. Lynn said to make the building handicap accessible it will need elevators and bathrooms. That is the majority of the expense. She doesn't think everyone in town will benefit from this. The church and school near there will benefit, but not everyone. **Judith called the vote. Seconded by Christine. Vote to not recommend was 8 to 1. Motion carried.**

Article #4. Operating Budget. **Matt made a motion to accept the \$2,339,564 operating budget. Seconded by Emily. Vote was 9 to 0. Motion carried.**

Todd made a motion to move Article 5 through 17 as a block. Seconded by Judith. Lynn said the total for these articles is \$23,305. She feels these articles are like mandatory charity for the people of this town. These agencies used to submit reports as to how many people are serviced by these agencies, such as Big Brother/Big Sister. Carla agreed and wondered how the Committee should go about this. Paul stated that some of the requested amounts are very specific and some are generic. Judith agreed that the Committee used to get reports from the agencies. Dick said that the Board of Selectmen has received paperwork and reports from each agency. Some of these agencies, such as Rockingham Community Action is the front line between someone that needs something done and the welfare department. Todd feels that if individuals want to support these organizations, they should do so on their own. The list grows and amounts change. Through warrant articles is not the right way to do it. But the town has routinely approved these articles. Carla said if the Board of Selectmen had received the reports from these agencies, he should have copied them for the Budget Committee. We keep voting for these because no one stands up and says no. We are all afraid to speak against charity. Paul asked if these are donations or compensation for expenses for providing services. Dick said they are both. Judith said that these agencies are not just for welfare. The Visiting Nurses come to assist people after surgery or injuries. Emily said these agencies run their budget on town donations to keep their costs down. Judith said we should look at how many people are served by them. That shows if it is a good investment. **Vote to move 5 – 17 as a block was 1 to 8. Motion failed. Todd made a motion to not recommend Articles 5 through 17 as a block. Seconded by Judith. Todd motioned to take Article #11 out of the block and to not recommend Articles 5 through 10 and to not recommend Articles #12 through 17.** Dick said from a political perspective there could be a lot of explaining about this. Matt said that they had received no public testimony on these and the Board of Selectmen has failed to supply the information needed to decide. **Vote to remove 11 from the block voting was 8 to 0. Motion carried. Vote to not recommend 5 -10 and 12-17 as a block was 8 to 1. Motion**

carried. Todd made a motion to recommend Article #11. Seconded by Lynn. Vote was 9 to 0. Motion carried.

Article #18. – Patten Hill Road Reconstruction. **Lynn made a motion to recommend. Seconded by Dick. Vote was 9 to 0. Motion carried.**

Article #19. – Excess Winter Road Maintenance. **Carla made a motion to approve. Seconded by Matt. Vote was 9 to 0. Motion carried.**

Article #20. – Fund Revaluation Capital Reserve Fund. **Dick made a motion to recommend. Seconded by Judith.** There is currently \$40,000 +/- in the fund. Dick announced that the Board had pushed off the reval for one more year. **Vote was 9 to 0. Motion carried.**

Article #21. – Police Special Detail Funding. **Dick made a motion to recommend. Seconded by Emily. Vote was 9 to 0. Motion carried.**

Article #22. – Create Special Detail Revolving Fund. It was determined that no recommendation is needed since no appropriation is being requested.

Article #23. – Funding Fire Apparatus Capital Reserve Fund. **Dick made a motion to recommend. Seconded by Matt.** Dick said there is no specific plan for the use of the funds as of now. Possibly replace the rescue vehicle. Judith said every year they say they want to replace the rescue vehicle, but they never do. Paul read the minutes of the last town meeting and it states that Engine 1 is due to be replaced at a cost of \$600,000 +/- **Judith called the vote. Vote to recommend was 6 to 3. Motion carried.**

Article #24. – Household Hazardous Waste Day. **Matt made a motion to recommend. Seconded by Christine.** Judith feels this should be in the operating budget. We do this every year. Dick asked if the Committee is telling him to in the future put this in the operating budget. Judith said yes, absolutely. Todd is voting against recommending it because he wants it to be in the operating budget. Christine agrees that it should be in the budget, but it can't be put in the budget this year. This is a safe way for people to get rid of bad stuff. She strongly recommends it be in the budget, but we should vote for it. Matt agreed, saying the "no means no" rule could apply. **Vote to recommend is 7 to 2. Motion carried.**

Article #25. – Incinerator Site Closure. **Dick made a motion to recommend. No second. Motion failed. Carla made a motion to not recommend. Seconded by Lynn.** Todd said he wants this to finally be done. It has become the biggest sore spot on the Board of Selectmen. It has just become silly. Carla said there is already \$35,000 set aside for the closure. Judith asked Dick if there is a closure plan. Dick said yes. Judith said that the DES has said that we don't need to spend that kind of money on the closure. She feels it is dishonest to tell the public that we do. She asked Dick to be honest with the citizens. She added that his plan is really a reclamation plan, not just a closure plan. In this economy we shouldn't spend \$100,000 to make a park there, especially since we can't even cut the grass at the park we already have. Christine agreed. When the Candia Cares Committee looked into what needed to be done to close the site, they learned that if the ground is disturbed, and it is unknown what is really there, it could cost enormously. Everyone said to get away from the area. Lock it up and move on. Leave well enough alone. **Emily called the vote. Vote to not recommend was 8 to 1. Motion carried.**

Article #26. – Master Plan. **Carla made a motion to not recommend. Seconded by Lynn.** Carla said she did not know anything about this. The Planning Board hasn't talked to the Committee about this. Dick said the timing of the way we are doing things this year is not

appropriate. We don't have all the information. State Statute requires the Master Plan be updated on a ten year basis to ensure the town can legally regulate impact fees. Ten years is up. There has been discussion in the Planning Board to do an update. This would be the first step. Dick apologized for no advance information. Todd said if this article is not recommended, we are 10,000 away from the 10% rule. Judith said this effects zoning ordinances and impact fees. Carla asked if there is a deadline of this year? If this doesn't pass, what will the impact be? Lynn said it could affect any future development, but there is probably not any project in the next year that will need impact fees assessed. Todd said RSA 674:3 II states that revisions to the Master Plan are recommended every 5 to 10 years. **The vote was called. Vote to not recommend was 8 to 1. Motion carried.**

Article #27. – Copier. **Emily made a motion to not recommend.** The consensus of the Committee is that it should be in the budget. Dick said the copier was purchased in 2004. It was a lease purchase. During 2012 the drum has been replaced three times. The issue isn't so much the cost of the repairs, but the downtime. He explained this is an older machine and has increased maintenance costs. This is the cheapest way to get a new copier because the lease would be more expensive. **Lynn seconded.** Todd feels it is better to lease a machine and get a new one when the lease is over. They could also have taken it out of surplus. **Vote to not recommend was 8 to 1. Motion carried.**

Article #28. – Smyth Library Funding. **Matt made a motion to recommend. Christine seconded. Vote was 8 to 0 with 1 abstaining. Motion carried.**

Article #29. – Fitts Museum Funding. **Carla made a motion to recommend. Seconded by Todd. Vote was 9 to 0 in favor. Motion carried.**

Article #30. – Currier Road Construction. **Judith made a motion to not recommend. Seconded by Lynn.** Carla feels we should finish Patten Hill Road first. She is also concerned because some residents of Currier Road actually live in Deerfield. Todd said there has been no information given to the Committee regarding this article either. Dick said that only the portion of the road that is in Candia will be done. There would be a savings in the future from not having to throw gravel on the road every spring. Dick said it is a matter of liability if a fire truck can't get up there when needed. Carla said that they do not have enough info to make a decision. Paul said that this was spoken about at the last Selectmen's meeting. Judith said that \$190,000 could cover a lot of gravel for the road. This would be another \$0.50 on the tax rate. Dennis said that he had to make everyone aware of the liability situation. He can keep going the way he is by putting in gravel when needed. He spends a lot of money per mile up there more than most other roads. He plans that next year the \$150,000 will be spent on Depot, Lane, and Green Roads. Judith feels that the \$16,000 he spent in gravel within his \$364,000 budget is not an unusually high amount of the percentage of the budget. **The vote to not recommend was 3 to 5 with 1 abstaining. Motion failed. Dick made a motion to recommend. Seconded by Paul. Vote was 5 to 3 with 1 abstaining. Motion carried.**

Article #31. – CYAA funding. Paul explained that the CYAA is a non-profit run by Candia residents that volunteer their time. There are roughly 200 children that participate. This is good value for our money. There is no money at all dedicated to youth athletic programs in Candia. The CYAA is asking for \$17,500. To run the programs through the town would cost a lot more than that. He feels that CYAA deserves some assistance for what they deliver to the town. **Emily made a motion to recommend. Seconded by Dick.** Emily feels that the CYAA does serve a huge purpose within the town. It is utilized such as the library, but with different population and need. Our school does not have adequate facilities for a basketball team. \$17,000 would not build a gym. This is good for property values in town. Lynn feels that CYAA

keeps on working and providing the services. With child obesity, this is a serious issue. She feels the town should support them. Christine agrees because it makes our town more attractive to come to. Judith disagreed with Emily's comment that it is utilized such as the library. She said the library doesn't charge the town to use their facilities. She is not happy that the CYAA charges the town to use their facilities. Paul said that the CYAA has offered the building to the Selectmen to use and they have declined. Paul said that the funds from the town would be used for whatever is needed, such as equipment, uniforms, league fees... They are asking for only 15% of their operating costs. Carla feels that she will vote no because there is no accountability for the money. The library gives a detailed budget **report. Matt called the vote. Vote to call the vote was 9 to 0. Vote on motion to recommend was 6 to 2 with 1 abstaining. Motion carried.**

The total amount recommended by the Budget Committee is \$3,045,304. The 10% rule says appropriations cannot increase by more than \$304,530.

At 9:33, Christine made a motion to adjourn. Seconded by Matt. All in favor. Motion carried.

Minutes respectfully submitted by
Cheryl Eastman