

Regular Meeting of the
Candia Budget Committee
August 14, 2013
Town Hall, Candia, NH
Approved Minutes of the Public Session

Present: Chairman Matthew Broadhead, Todd Allen, Carla Penfield, Allyn Chivers, Judith Szot, Selectmen's Rep. Carleton Robie

Absent: Paul Leblond, Christine Watson, School Board Rep. Emily Roster

Also Present: Police Chief Michael McGillen, Road Agent Dennis Lewis, Donna Becker, Marlene Montminy

Call to Order

Chairman Broadhead called the meeting to order at 7:00 pm and led the attendees in the Pledge of Allegiance.

Administrative Business

Approval of Minutes

Chairman Broadhead noted the omission of committee member Judith Szot as a present member of the June 12, 2013 meeting. Her attendance was confirmed by Allyn Chivers.

Motion: To approve the minutes consistent with the necessary editing. Motion by Todd Allen, second by Selectman Robie. All in favor, motion carried with Chairman Broadhead abstaining.

Old/New Business

Town Purchasing Policy Update

Selectman Robie presented the Budget Committee with the recently developed and approved Purchasing Policy outlining the procedures and guidelines to be utilized by Town Departments, Boards, Committees and Commissions. Selectman Robie noted that it may take some time to adjust to the new procedures but it is a start in the right direction.

Chairman Broadhead commented that the policy appears to be a monetary sliding scale with regard to the purchasing and bid approval process and that it seemed reasonable. The committee will review it and would bring any questions forward at a later date.

Moore Highway Trust

Chairman Broadhead stated he is trying to put together a presentation for the committee to address a concern for the potential mismanagement of the Moore Highway Trust. Noting that there has been no mismanagement to his knowledge, there is the possibility of it. A possible change would be to have a professional management company advise on issues such as how interest can be expended, what constitutes interest, and how bearer bonds are retained for the town and by whom.

Todd Allen expressed concern that the Budget Committee does not have any authority over the Moore Highway Trust. Chairman Broadhead agreed but it was within the committee's purview and that it was important to shed light on the subject as it may come up during the deliberative session.

Chairman Broadhead hopes to have all the necessary materials ready for the next meeting and will extend invitations to all interested in attending once he is prepared to go forward.

Following further discussion, Chairman Broadhead noted that more information was necessary and needed to be verified before a presentation could be made.

Review of School Reports

Chairman Broadhead wished to focus on the year-end report. It was requested in a previous meeting that a new column be added. Refrencing report # 10930, the budget adjustment column was added showing the difference between the adopted budget and the revised budget and where money was moved into and out of the appropriations. Asking the members of the committee if they felt it was helpful, Lynn Chivers stated she thought it was good and that you could see where money was moved.

Chairman Broadhead noted the written explanation that was provided by Emily Roster of the School Board which provided a narrative to the budget transfers that were made within the School Board budget.

After further review of the reports provided, Judith Stoltz noted the amount appropriated in this year's budget for the purchase of textbooks is now undesignated funds.

Todd Allen asked if a discussion was needed to address the issue of overbudgeting. Selectman Robie stated that the high school tuition is overbudgeted every year and funds go unexpended because not every student will go to public high school. Chairman Broadhead asked how to project the necessary funds. Lynn Chivers suggested the eighth graders could be asked where they plan to attend high school to get a better idea of how many student's tuition should be budgeted for.

Carla Penfield stated that the issue has been brought up with the School Board in the past. Todd Allen suggested an average of the past several years be used to create a tuition appropriation. Lynn Chivers stated that a historical average of approximately 10 years

of budgeted and expended amounts was used two years ago but it was defeated during the deliberative session.

Carla Penfield stated that the committee needed to remember that the tuition is budgeted a year, or approximately 14 months, ahead. Todd Allen stated that October was when the School Board receives their enrollment numbers.

Allyn Chivers did not believe that all of the students would go to Central given all of the problems we have had with Manchester. Selectman Robie stated that over the years there have been fewer students going to public high school.

Judith Szot stated that an attendance report showed a significant reduction in the number of freshman students entering the public high school.

After further discussion, Judith Szot stated a similar problem was with the insurance appropriation. Every year funds are transferred out of the line for other purposes. Todd Allen stated that the trends needed to be looked at.

Judith Szot suggested putting the tuition appropriation in a warrant article so that if the money is approved, it can only be used for tuition. Carla Penfield stated that if the warrant article failed it would have to be explained that the money would then have to come out of their operating budget. Judith Szot said that the tuition was always a warrant article up until about four or five years ago.

Selectman Robie stated that the budget would have to pass first at the deliberative session and then the warrant articles. The warrant article would have to state that if the warrant article passed, the budget would then be reduced by the corresponding amount. Chairman Broadhead stated that if the warrant article failed, the money would still be in the operating budget. Carla Penfield asked who would write the warrant article. Judith Szot stated the budget committee could not write the warrant article but it could be a citizen's petition.

Chairman Broadhead believes that the benefit to having the tuition in a warrant article is that any unused funds would go back to the town. If it failed, it would still be in the budget and there wouldn't be a "no means no" rule that would apply. Selectman Robie and Judith Szot disagreed as to whether or not the unused funds would go back to the town or if they would simply not be appropriated due to the timing of setting the tax rate versus the timing of the budget process.

Allyn Chivers recalled at the last deliberative session where the school Superintendent and their legal counsel stating that it could not be done because of the "no means no" rule. Judith Szot recalled the same but would like to have it looked into due to varying legal opinions.

Todd Allen stated that the issue of tuition is just one item out of many regarding the budget but due to the absences at today's meeting he would like to have the issue of how

to address budgeting concerns on the agenda for the next meeting. He would like to hear the perspective of the School Board representatives. Chairman Broadhead will add the item, Projecting Budget Expenses, to the agenda for the next meeting.

Referring back to the School Board reports, Carla Penfield asked for clarification on the new budget adjustment column. Chairman Broadhead stated it reflects all of the budget transfers.

Further discussion from the committee regarding the amount of funds lapsing to surplus, encumbrances and the five year plan for building maintenance.

Chairman Broadhead asked that the committee members keep report #10930 provided by the School Board and to bring it to next month's meeting for further discussion.

Chairman Broadhead asked if report #10807 was needed. Carla Penfield stated that she thought it had been decided previously that it was not needed. Allyn Chivers stated that Karen, who provides the reports, can be told not to send it.

Chairman Broadhead stated he noticed the committee was provided with two budget adjustments that were from the April 3rd meeting and later provided another set of budget adjustments that were for the same date as the previous adjustments but were not duplicates making it look like the adjustments took place over two separate periods.

Review of Town Reports

Judith Szot noted the expenses were up but revenue was down, asked if this was due to funds from the federal government that may be received at a later date or will not be received at all. Selectman Robie stated that it was possibly highway grants and funds from the transfer station for recyclables are down. Judith Szot asked if the \$88,000 difference will affect the budget. Selectman Robie stated the expenses have been appropriated and that revenue offsets the appropriation needed.

Selectman Robie stated the expenditures are very close. It was discussed at the last Selectman's meeting. Selectman Soares is on top of it. Everyone is aware of the budget.

Selectman Robie also stated that next year's budget requests will be received from the department heads on September 14th by 9:00 am.

Chairman Broadhead asked for any updates from the Select Board. Selectman Robie stated that he provided the committee with the new purchasing policy. Also, Selectman Snow wanted the committee to review a letter regarding Moore Park that was provided. Selectman Robie also provided a downsized version of the police cruiser maintenance report originally provided by Selectman Soares.

After discussing whether updated copies needed to be provided for each meeting, Carla Penfield stated she did not think it needed to be as long as it was made available if it was

asked for. Judith Szot stated it was important to have the historical data to show the cars have been maintained, if repairs have been done and what the repairs were, and if the car should be replaced. Judith Szot wanted to know if the report will be kept up. Chief McGillen stated that it is updated as the invoices come in. The report will be provided to the committee from the Selectman's office and only needs to be provided once the budget discussions start. Selectman Robie suggested it then be distributed quarterly.

Referring back to the letter provided by Selectman Snow regarding Moore Park, Selctman Robie stated the park is 13 years old, is used considerably, and the equipment is beginning to break down. The equipment should be maintained so that no one will get hurt.

Adjourn

Lacking further business, Chairman Broadhead entertained a motion to adjourn.

Motion: To adjourn the meeting. Motion by Todd Allen, second by Judith Szot. All in favor, motion carried.

The meeting adjourned at 8:01 pm.

Recorded by Marlene Montminy