

## Meeting of the Candia Municipal Budget Committee

November 9, 2016

Town Offices, Candia, NH

**Members present:** Dana Buckley, Chair Allyn Chivers, Kevin Coughlin, Susan Gill, Jodi Hedstrom, Paul LeBlond, Bob Stout, Selectman's Rep. Susan Young.

**Members absent:** School Board Rep. Rebecca Cronk

*Chairman Chivers opened the meeting at 7:00pm*

Pledge of allegiance

Chivers stated that future recordings will be made available online.

### OLD BUSINESS

#### Approve minutes

##### Corrections:

Page 4, change "Carl" to "Carleton"

Page 5, under Direct Assistance, insert "reduced" into the sentence "They still haven't the budget"

**Motion:** To approve minutes from the 10/12/16 meeting (1<sup>st</sup> – Coughlin, 2<sup>nd</sup> – LeBlond). **Approved 8-0**

#### Answer Questions Submitted to Selectman

##### **BUILDING INSPECTION – response from Dave Murray**

- What is the rationale for going to a full-time administrative assistant? What additional duties will she have? How many additional hours will she work?

It had previously been a full-time position. It was changed to part time when there was a turnover in staff. The current employee works 30 hours / week and is doing a very good job (really digs in, is good with the community, etc.). They would like to increase her hours to 32.5 to make her eligible for sick pay & holidays to show appreciation for her hard work. No additional duties, same money. But Candia is talking off, it's been busier than it's ever been. Chivers added that the additional insurance cost will be \$6,564.58. Although this would be a reduction from the placeholder \$20k that was included in the 2016 budget.

### **CEMETERY – response from Carleton Robie**

- Please explain the sexton stipend. What will that person do and how many hours is he/she expected to work? How did you arrive at the \$5,000 amount?

The town previously had a Sexton/Superintendent. The position went vacant when the town elected Cemetery trustees about three years ago. Robie has acted in the role of sexton/superintendent for over a year, for no pay. Without a job description & defined compensation, there has been very little interest in anyone taking over the role. The job includes coordinating with the maintenance person (who has already given notice that this is his last year), coordinating with people needing burials, and going through records. Hours depend on demand – can range from 0-20 in any given week. The previous superintendent earned ~ \$3-5k / year, so \$5k seemed reasonable. The wage line has been reduced by \$2k to offset somewhat.

- Can we increase the price of the plots to cover some of the additional expenses?

That was done last year. From \$200/grave to \$400/grave. Plus mandatory maintenance of the plots. Money collected goes back to the general fund.

- Equipment maintenance was budgeted at \$500 and we have not spent any of it. Why are we still budgeting the same amount?

The maintenance person, Mr. Pike, currently uses his own equipment. Therefore minimal maintenance required for Cemetery equipment. However, he has provided notice that will no longer maintain Holbrook cemetery, and will only do the other four for another year. The town will have to find a replacement. If that individual doesn't bring their own equipment, the cemetery equipment will need to be used, and will therefore need to be maintained.

### **DIRECT ASSISTANCE – response from Boyd Chivers**

- Our direct assistance spending has been reduced substantially since 2014. Why can't we reduce that line to a more realistic amount?

The town has a constitutional requirement to provide assistance, but doesn't know from year to year what the demand will be. It has been as high as \$24k in the past, which is why the line has been budgeted at \$25k.

### **FIRE / FORESTRY – response from Dean Young**

- Are there any plans to spend additional funds on protective clothing before the end of the year?

Yes, it has just been spent.

- Fire communication and truck maintenance have not been fully spent. Are there any plans to spend these funds before the end of the year?

Yes.

#### **HIGHWAY – response from Dennis Lewis**

- The lines for gravel, tree removal, brush cutting, mowing, shoulder work, asphalt maintenance, culverts and ditching have not been spent. Are there any plans to do all this work before the end of the year? If not, why did we budget the same amounts or more for next year?

Some has already been spent, the bills just haven't come in. The remaining money is held back as a reserve until the end of the year to make sure it's not needed to cover another emergency. But it will be spent.

#### **PARKS AND RECREATION – response from Scott Komisarek**

- Park maintenance increased from \$3000 to \$6000. What is the plan for the additional funds? What repairs are planned for Moore Park?

General maintenance due to the overgrown nature of the park. There is a lot that needed to be fixed / repaired.

- Why such an increase in the electricity for Moore and Pond Parks?

Lights for the skate park.

#### **PLANNING BOARD – response from Scott Komisarek**

- We will complete our master plan with the money that has already been budgeted. Why is there an additional \$10,000 for master plan? What, specifically, do you plan to do with it?

The money will be used to look at the development of Exit 3. The money is being set aside for a concept plan and/or to hire a consultant, if required.

Chivers recommended line item name be changed.

#### **POLICE – response from Chief McGillen**

- Please furnish the spreadsheets showing each cruiser and the mileage, repairs, age etc.

Done.

- Ammunition line was budgeted at \$3000 but nothing has been spent. Why are we budgeting the same amount for next year?

Will be spent this year.

### **PROPERTY APPRAISAL – response from Boyd Chivers**

- Last year this line was increased so that the appraiser could review exemption such as current use. Has that project been completed? If not, any plans to work on that project?

Not yet. B. Chivers said that he will work with Andria and Donna in the selectmen's office to complete the project reviewing the current use adjustments.

### **SOLID WASTE – response from Russell Dann**

- Why is there such a big increase in the cost of testing?

There are additional tests that are required this year at the old site. Certain tests are only required every 3 years.

- In the Facilities O & M & Electricity line we are still budgeting \$25,000. After the repairs are completed this year, are there additional repairs that are planned? Why the big increase from 2015?

This was an oversight that has now been corrected.

### **TAX COLLECTOR – response from Donna Becker**

- What is the reason for the increase in the deputy tax collector line? Will she be working additional hours?

The deputy tax collector completed her 90 day evaluation period and therefore earns a \$0.50 raise. There are additional costs for training & workshops.

### **TOWN BUILDING EXPENSES – response from Boyd Chivers**

- The alarm monitoring line was increased in 2016 for security cameras but the amount has stayed the same for 2017. We spent \$480 in 2015. Why has that line remained increased this year?

This line has been reduced to \$480.

- What is the plan for the \$8,000 in the building maintenance line? How much will it cost to paint the lines in the parking lot?

It will cost \$400 for striping. This line has been reduced to \$5,400 though. The plan was to replace the carpet, but after it was cleaned it was decided that replacing it was not required.

- What will be done with the funds budgeted in the Smyth Building Maintenance line? We would like a detailed report of how the money in that line has been spent this year.

A summary of Smyth Memorial Building budgeted expenses for 2016 was provided.

- Will there be a warrant article to put additional money in the Smyth Memorial Building Fund?

Yes, there will be a warrant for \$3,500.

- Why is this in the operating budget and not a warrant article like the Fitts Museum?

It is not a separate legal entity.

#### **TOWN CLERK – response from Boyd Chivers**

- What is the reason for the increased wages for the deputy town clerk?

Wages increased from \$10.58 to \$14.50 in line with comparable positions elsewhere, and based on performance.

- Why are there not two windows open for the clerk and deputy when they are busy and many people are waiting for service?

There is a problem with getting two computers to both communicate with the State records and each other but they are working on it.

#### **TOWN OFFICERS EXPENSE – response from Boyd Chivers**

- Why are there wage increases for the deputy tax collector and deputy town clerk and the rest of the employees are getting a 1% cost of living raise?

Deputy tax collector covered above (completed 90 day eval period). Deputy town clerk adjustment made to bring salary in line with comparable positions.

- What, exactly, are you going to ask the HR consultant to do?

Considering bringing in an external consultant to draft a merit / performance plan. The idea is to support career development in the town, and encourage good workers to stay on.

- What is the plan for the employee merit pool? Are you planning on end of the year bonuses, beginning of the year comparability increases, wage increases after evaluations are completed? How do you plan to distribute the funds and how did you decide upon \$10,000?

Undecided at this time. But recognize that something needs to be put in place.

#### **GENERAL – response from Boyd Chivers, Carleton Robie, and Russell Dann**

- What are your thoughts about a capital reserve fund to replace some of our town owned equipment such as the loader at the recycling center?

Chivers thought this would work well for the police. Robie didn't believe they could be combined into a single capital fund. Chivers suggested a capital fund for the Smyth Memorial Building. Russ Dann pointed out that the recycling center generates funds for the towns, but the funds are put back into the general fund at the end of the year. They are not reserved for the recycling center.

- Have you considered leasing equipment instead of buying it? Do you think this idea has any merit?

The only pieces of equipment appropriate for this would be the equipment at the dump and a capital reserve fund would be preferable. No plans on leasing at this time.

### **Answer School Questions from Previous Meetings**

1. NH School board association - How do they structure their fees?

The NH School Board Association structures their annual membership fees based on the annual budget of the school district. The formula utilized by the NHSBA has not changed in approximately 8 years.

2. Income from adequacy, state education tax and catastrophic aid - Are these amounts based on enrollments? If not, how are they computed?

The income from adequacy, state education tax and catastrophic aid can be found on the Department of Education website under Data Collection and Reports, then State Aid Programs. The direct address is: [http://education.nh.gov/data/state\\_aid.htm](http://education.nh.gov/data/state_aid.htm). Adequacy and State Education Tax are both based upon formulas from the DOE. If you select the Final Adequacy Air 2016 Excel report, you will find the amount for Adequacy under column X and the State Education Tax under column

3. What is the total for the legal fees associated with the settlement agreement with Manchester?

Unfortunately, there would be a substantial amount of labor required to pull the three years of billings and pick out the charges associated only with the capital cost legal dispute. As this was in informational request only, it will not be completed. The legal fees for the last 3 years reflect the capital cost legal dispute, counsel, public appearances, and legal representation. Our legal fees are addressed in our monthly reports, the specifics of which are not available due to confidentiality.

4. The list of encumbrances shows \$241,392.90 15-16 capital costs - ongoing legal dispute. We cannot determine where this amount came from. It is not the amount in the settlement agreement for 15-16.

The encumbrance of \$241,392.90 for 2015-16 was the fully budgeted amount for the year's capital cost as the settlement was not completed at the time the books needed to close. The Candia School Board had encumbered a total of \$578,325.90 between the 2013-14, 2014-15, and 2015-16 school years. As per the agreement, Candia paid Manchester \$322,386.50 for the capital cost legal dispute. This results in \$255,939.40, which will be returned to the town at the end of the fiscal year in addition to any fund balance returned.

5. What is the legal opinion regarding the multi-year contract requirement that must be approved by voters and how it relates to the settlement agreement with Manchester?

Attached is a letter from the Board's attorney in response to the questions surrounding the Manchester capital cost settlement agreement and the need for voter approval. Please read and include this letter into the public minutes.

Buckley asked for a copy of the collective bargaining agreement when it is completed.

Stout requested that when we get the budget books for the school, in addition to the summary page for this budget, he would also like a copy of the summary page that we received last year for comparison purposes. The question was also asked on when the budget books would be available. Chivers agreed to follow up with Cronk.

## **NEW BUSINESS**

### **Vote on preliminary town budget recommendations**

*Ambulance.* No changes recommended.

*Animal Control.* No changes recommended.

*Auditing Services.* No changes recommended.

*Budget Committee.* No changes recommended.

*Building Inspection.* No changes recommended.

*Cemetery.* Chivers: No changes recommended.

*Conservation Commission.* No changes recommended.

*Direct Assistance.* Chivers stated that in 2014, the town spent \$5,400 on Direct Assistance. All the budget was returned in 2015, and \$10k has been spent to date in 2016. Chivers motioned to reduce Direct Assistance from \$25,000 to \$20,000. Coughlin seconds. **Approved 8-0**

*Voter Registration.* No changes recommended.

*Election Administration.* No changes recommended.

*Emergency Management.* No changes recommended.

*Fire/Forestry.* No changes recommended.

*Health Officer.* No changes recommended.

*Heritage Commission.* No changes recommended.

*Highway Department (General Fund / Winter Fund).* No changes recommended.

*Insurance.* No changes recommended. (Chivers stated will confirm what final numbers will be)

*Legal Expenses.* No changes recommended.

*Other Culture & Recreation.* No changes recommended.

*Parks & Recreation.* Hedstrom stated she is concerned about the liability associated the poor condition of the benches and fencing in Moore Park. Motioned to increase Park Supplies/Repairs by \$5000 from \$1600 to \$6600. Gill seconded. **Approved 8-0.**

*Planning board.* Discussion on the \$10k for Exit 3. Chivers confirmed the land at Exit 3 is three contiguous parcels, although divided by the rail bed and inclusive of some wetlands. Chivers said that the most recent action by the town was a vote for a grocery store– which seems unlikely at this point due to the lack of town water or sewer, and a volunteer-only fire department. However, now the town is bound by that decision. Any other use of the land would require a new warrant article to go before the town. Discussion that this action is potentially premature as the town does not even have a vision statement in the master plan yet. Stout asked if this should be done as a warrant article instead, which could both allocate the funds to the project and broaden the potential use beyond just a grocery store. Stout motioned to remove the \$10k from the budget on the recommendation that this should be done as a warrant article instead. Chivers seconded. **Approved 8-0.**

*Police.* No changes recommended.

*Principal Long Term Bonds & Notes.* No changes recommended.

*Property Appraisal.* No changes recommended.

*Solid Waste.* Discussion on capital reserve fund. Coughlin stated in general he was not a supporter of having a capital improvement fund. It makes it too easy to default to buying new equipment, rather than extending the life of existing equipment. Young offered that she likes them because it spreads out the commitment. Stout expressed concern on the cost of repairs adding up. Coughlin stated that the O&M costs were for new tires, which was unrelated to the remaining life left in the capital. No changes recommended.

*Street Lighting.* No changes recommended.

*Tax Collector.* No changes recommended.



*Town Building Expenses.* Smyth Building Maintenance line was discussed. Discussion that there was a warrant article 2-3 years ago for the entire restoration of the building for ~ \$180k which was voted down by the town. To date, almost \$50k has been spent through the town budget. However, there was still significant work that has to be done (incl. water & septic). General agreement that the building was beautiful and of significant historical value, but it was unclear what the end objective was of the restoration. In this budget, the line is \$19k, plus another expected \$3.5k warrant article. Bringing the total to over \$22k. The Fitts Museum operates on a warrant article budget of \$4k. Stout motioned to reduce total budget line to \$8500 – which covered operating expenses plus the repair of an additional window. That, plus the \$3.5k warrant article, plus the approved \$3.5k from last year would leave them over \$15k for 2017. Chivers seconded. **Approved 7-1.**

*Town Clerk.* No changes recommended.

*Town Officer's Expenses.* No changes recommended.

*Treasurer.* No changes recommended.

*Welfare.* No changes recommended.

*Zoning Board.* No changes recommended.

All changes together reduce the recommended budget by \$20,110 from \$2,560,706 to **\$2,540,596**. The \$20,211 consists of the changes to the Direct Assistance (-\$5,000), Parks and Recreation (+\$5,000), Planning Board / Exit 3 (-\$10,000) and the Smyth Memorial Building (-\$10,110). The 2016 budget is \$2,542,012. So \$2k less than this year. **Approved 8-0.**

Regarding the minutes, Chivers said that future meetings would be put online. And that the Assistant Tax Collector had agreed to type up the minutes. The budget committee would pay her current hourly wage.

Meeting for 11/10 cancelled since the preliminary town budget had been voted on.

**Motion:** To adjourn (1<sup>st</sup> – Coughlin, 2<sup>nd</sup> – Hedstrom). **Approved 8-0.**

## Attachments

1. Smyth Memorial Building – Anticipated expenses 2017
2. Response from School Board’s attorney in response to question regarding requirement for voter approval for the Manchester capital cost settlement



Susan Gill &lt;sgill.candiabc@gmail.com&gt;

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## Smyth Building Proposed Expenses

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**Lynn Chivers** <lchivers.candiabc@gmail.com>

Thu, Nov 10, 2016 at 1:36 PM

To: Becky Cronk <bcronk@sau15.net>, Bob Stout <bstout.candiabc@gmail.com>, Dana Buckley <dbuckley.candiabc@gmail.com>, Jodi Hedstrom <jhedstrom.candiabc@gmail.com>, Kevin Coughlin <kcoughlin.candiabc@gmail.com>, Paul LeBlond <pleblond.candiabc@gmail.com>, Sue Young <syoung.candiabc@gmail.com>, Susan Gill <sgill.candiabc@gmail.com>

Hello All,

Last night at our meeting, Boyd read from information he received from the Smyth Bldg. Trustees about their proposed expenses for 2017. I also asked him about the Fairpoint expense and he said that related to the surveillance system at the building.

Here are the expenses that he listed.

### Smyth Memorial Building 2017

Fair Point	410
Pelmac	240
Eversource	1100
Able Property	1120
Irving Oil	4050
Restore Windows	3600
Carpentry restore back room 2nd floor	3600
Paint stain finish back room 2nd floor	1000
Remove bookcase front room, patch holes	3000
Electrical work, front and back room 2nd floor	1500
<b>Total</b>	<b>\$19,020</b>

Lynn

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ANTHONY M. MUIR

October 28, 2016

*Via Electronic Mail and U.S. Mail*

Charles P. Littlefield, Ed.D, Superintendent  
SAU #15  
90 Farmer Road  
Hooksett, New Hampshire 03106-2125

Re: Candia/Manchester Settlement Agreement

Dear Phil:

This letter is in response to questions that have been relayed to the board and then to you regarding authority of the school board to settle the action brought by Manchester concerning the 2003 High School tuition contract.

The New Hampshire Supreme Court has made it clear that the school board is the managing board of a school district. As such, it has the authority to make contracts and to settle lawsuits brought against the district. The board also has the specific responsibility "to provide, at district expense, elementary and secondary education to all pupils who reside in the district...". See RSA 189:1-a. In addition, it is "elected school boards" that are responsible for establishing the structure, accountability, advocacy and delivery of instruction in each school operated by the district, which would include those schools with which district contracts pursuant to RSA 194:22. See RSA 189:1-a, II. School boards are also required to provide, through documented planning and public meetings, accommodations for all pupils in approved schools or other facilities in accordance with state law. See Ed.303(c). With respect to tuition agreements, RSA 194:22 has been read by the Supreme Court to vest in the school board the authority to make contracts concerning the provision of high school education.

In the case of the Manchester tuition dispute, Candia voters, in 2003, ratified the board's tuition agreement with Manchester and gave the school board authority to take further action as necessary with regard to the tuition agreement. A dispute over the interpretation of that tuition agreement resulted in Manchester filing an action at the state Department of Education claiming

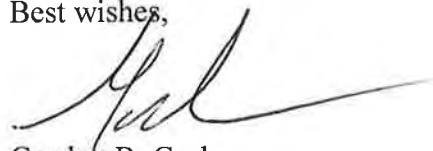
it was owed additional sums of money under the terms of the agreement. The board vigorously contested Manchester's claim. In 2016 voters at the school district meeting voted to support the school board's decision to enter into an agreement with Pinkerton that would replace the Manchester contract in 2018. As a result of the voters' action, the board exercised its authority under the 2003 tuition contract to terminate the agreement with Manchester. As part of the negotiations with Manchester over the termination of the 2003 Manchester contract and in settlement of the action brought by Manchester, an agreement regarding the application of various terms of the 2003 agreement to the pending termination of the agreement and to the alleged amounts that were due under the agreement was reached by the Manchester and Candia school boards. The agreement reached resolved the pending case. A state hearing officer has recommended the state Board of Education accept Manchester's and Candia's decision to settle the case.

The Candia school board had the authority to make the decision to enter that agreement. The agreement is enforceable without additional action by the district. It was a condition to the resolution of the dispute with Manchester. The Candia board simply agreed to resolve the disputes over the interpretation of the amounts due Manchester at a considerable savings to the amounts claimed by Manchester. In doing so, the board actually shortened the period of time Candia would be obligated to pay Manchester from the period agreed to in the 2003 agreement approved by voters.

In summary, the school board is the managing board of the district with authority to contract for the district and to settle litigation against the district. It is the body responsible for providing, at district expense, an education to students in Candia. It exercised its authority under RSA 194:22 to enter an agreement with another district for the education of district students and it relied on the express and implied authority granted by the board by votes of the district meeting in 2003 and 2016. For all of these reasons, the board had full authority to execute the agreement to settle disputes over the interpretation of the 2003 tuition agreement with Manchester.

If you have any questions, please call.

Best wishes,

A handwritten signature in black ink, appearing to read "Gordon B. Graham", with a long horizontal flourish extending to the right.

Gordon B. Graham

GBG:kmb