

Meeting of the Candia Municipal Budget Committee
Approved Minutes
December 15, 2016

Town Office Building

Members Present:

Chair Allyn Chivers, Selectman's Rep. Susan Young, School Board Rep. Rebecca Cronk, Paul Leblond, Jodi Hedstrom, Bob Stout, Susan Gill, Dana Buckley.

Not present:

Kevin Coughlin

Pledge of Allegiance

Chairman Chivers informed everyone that the meeting will start with questions and comments. The board voted at the last meeting to approve the school budget. Vote of 5-4. No changes were recommended. At the end of the public comment the Budget Committee members will be asked if they intend to make any changes before closing the public hearing.

Dana Buckley would like to discuss the health costs in the contract that are listed as a line item. Wanted to propose a 4% reduction on the portion of the health insurance payment that the town pays.

Jodi Hedstrom expressed that she doesn't feel that the budget committee should have the right to decide what health care plan is chosen. The budget committee doesn't have a right to choose what insurance the town gets.

Susan Gill asked how does it work with the negotiated contracts, if that is even something the board can even change.

Dr Philip Littlefield It can't be reduced, the voters have already approved it, it can not be changed. The new contract will need to be voted on. It will not reduce the exposure for the school district to pay the negotiated amount; they will have to cut from somewhere else.

Bob Stout stated that it's very challenging to be budgeting when you don't have the current numbers from the school year. But what we do have is 2014-2015, 2015-2016 where we over budgeted by 8.0% & 7.3% both those years. We had \$550,000 to \$570,000 that we over budgeted by. Bob would like to propose to reduce the overall budget by 2%. He would hate to see an overage again.

Selectman Young stated she's been asked why she didn't approve the budget and what changes she proposes.

Chairman Chivers explained that if she has proposed changes she could express those changes during public comments.

Public comments;

Sharon Dewitt she didn't think that making a 2% cut would work and asked if the budget committee needed to submit a MS7, listing where you wanted the cuts by line item.

Chairman Chivers explained that that wasn't the case, in the past we had to.

Sharon Dewitt she's heard a lot about the school budget being up \$1,000,000.00 since 2013-2014 year and that we have less students. She she looked up the state recommendation and that people should know that the state maximums is;

k-1 maximum classroom size is **25** x 3 classes is 75

3-8 maximum classroom size is **30** x 6 classes is 180

A total of 255 students.

Her understanding is that the school has 318 students, which is higher than the state maximum presently. A lot of the classes couldn't accommodate more students, we have the state maximums. She wants people to know that you still have to run those classes, you still have to heat it. There are some numbers that can't be changed.

Ingrid Byrd questioned the increase of \$300,000.00 with this contract when there's a decrease in students. She felt there had to be a way to cut staff members, there are 60 staff members. She was around when there were 495 students and fewer classrooms and how she got a great education. There are a lot of residents of this town that are hurting. She feels the budget committee needs to think of the whole community.

Stephanie Helmig said the last two years you've said we've had a savings of \$500,000 where did the savings come from. Was there something big that stood out?

Chair Chivers answered saying the high school tuition was \$200,000 of the \$500,000 the rest she couldn't say because there were a lot of line items.

Sean McDaniel He believed the 7% was returned to the taxpayers, he likes the buffer to run an institution of this size. The 2% doesn't seem like that much.

Todd Keating asked if the budget committee votes on this or do the selectman do it too?

Chairman Chivers said that the Selectmen's Rep and the Budget Committee vote on the budget.

Todd Keating said he had some decent email exchange with a couple members and thought I was going to get some answers here. Which he believed hadn't been done, to Dana Buckley or Bob he told them that, it's a lazy answer to say he was cutting 2% off the bottom. Asked Dana, what are you going to cut, how much do you want to cut. Tell us what that is?

Dana Buckley explained that he did tell him what he wanted to cut, he felt that the school budget committee should have taken the towns people into consideration during the negotiations. We're paying a 100% of the single person health care that you hardly ever see that anymore.

Bob Stout explained that the board could take 2% out of every category but the truth is if they need money somewhere else they can take and move money around, they do that all year long. It's not an unreal expectation to have to live within a budget, to be more careful. He felt that it's better to leave it up to the school board to make the decision where the money goes.

Sean McDaniel Feels the school board has shown that they spend the money responsibly and having a buffer is a good thing. He felt the budget committee should not cut the budget knowing that their history has shown that they spend responsibly and give the money back to the town.

Jodi Hedstrom asked Dana Buckley if he compared the salaries of the other towns, and how did they compare.

Dana Buckley he only looked at the insurance part of it.

Jodi Hedstrom totally understood and appreciated Dana's efforts. But felt that you have to compare salaries too. Unless you compare all their figures then it's not accurate.

Dana Buckley felt it was completely reasonable to ask the teachers to pay a little bit more, just out of respect for the people of this town. There's also a health reimbursement account.

Becky Cronk Dana made a point that was incorrect that she asked Karen Lessard to address.

Karen Lessard there is no district money going into an HRA for any staff.

Dana Buckley said that he emailed December 4th the district for the answer to that question but never received an answer. He said he went online and found a plan that matched the deductibles.

Karen Lessard that it was the plan but its being funded by the Choice Fund, through the health insurance company. If the staff member fills out a health assessment, they are then given that money.

Dana Buckley asked why he wasn't given that information the week before.

Becky Cronk said that she had received an email on December 4th but it got lost in the shuffle of emails, as it was a reply to something else. She had a copy of what the school actually provides with regards to the insurance deductible, maximums, co insurance, co pays and so on. Information was given to everyone on the board.

Chairman Chivers asked, so this is the new plan not the one in the budget?

Becky Cronk said yes.

Selectman Young asked if the school gives any money towards co insurance or any deductibles?

Karen Lessard no.

Judith Szot explained that she was a former member of budget committee and a retired teacher. She asked if there is money in the budget to pay any deductibles or their co pays?

Becky Cronk said Karen just said no there is not.

Judith Szot stated that someone made a comment that the money is turned back in. When she was on the board, consistently every year the money was consistently less. The six years she was on the budget committee, each year over \$400,000 was supposed to be returned but it turned back in as \$160,000 or \$180,000. She felt the money was spent at the end of the year. She also felt multi age classrooms, that she's done it, it works. She felt that Budget Committee should look at the budget closer. She asked how many kids are in each class.

Becky Cronk stated that there are;

1-35
2-30
3-29
4-38
5-36
6-34
7-50
8-38

A total number of 318 students.

Todd Keating explained he's lived in town 16 years and has 3 kids. Best thing that happened in this town is that our kids are going to Pinkerton not Central.

Wants his kids class to be small, doesn't want them to be in a classroom with upper classman. He doesn't want yesterday and wants his kids to have a better education than he had, he wants progress and forward movement. Progress is what we all want in this town.

Jen Maurice One of the reasons her family moved to Candia is they wanted small classrooms. She has been teaching for 20 years and she's had 15 in a classroom and 35 in a classroom. I know the difference of a class size, if you stick 35 kids in a classroom, they do not get the same education as in a class of 15. She would really like to see the budget go through as is.

Nicole LaFlamme said she heard that there are 19 new house lots in town.

Selectmen Chairman Boyd Chivers said yes there are just waiting to be approved.

Nicole LaFlamme said well that will be one of the largest influx of houses we've had. We are up 3.87% or \$300,000 but we can tell you where every cent of that goes. We budget very carefully. We had 11 new kids this year in the first month of the school year.

Tom St. Martin doesn't see it as over budgeting, its budgeting for need, and then being careful. He thinks it's important to have that budgeting approach. Twenty six years ago we had a bottom line budget cut, the school board was left hanging in the wind trying to figure out how to make ends meet. He doesn't believe cutting the budget without saying where, is wrong. Someone is going to be hurting," I'm retired and am on social security and I'm willing to pony up my \$75.00", which is what he estimates it will increase. I believe the school board has done its due diligence. We live in the richest state in this country; we live in a town where the median income is 21st in this state. We have one of the wealthiest towns in the state.

Sharon Dewitt if the town is over budgeting by 5 & 6% the same percentages as the school, why are we criticizing the school for over budgeting when they're over budgeting the same.

Selectman Young A couple of things that people don't have accurate; In

2014-2015 the budget was \$7.1 Million

2016-2017 the budget was \$7.9 Million

Now the school is looking to spend \$ 8,202,000.00

She said she knows it's only a \$300,000 increase from last year but it's a

\$1,100,000.00 increase since 2014 and with at least 34 less students. We were told,

by the School Board, that there are 11 new students moved into the district this year.

She received an update for the SAU on the monthly enrollment for elementary was

12/15- 329 students

10/16- 322 students

12/16- 318 students,

"I'm unsure where the 11 kids went or are, maybe someone could enlighten me there."

Again, using the schools information for high school enrollment, we will have 3 less in High School next year. My recommendations it appears to me \$100,000.00 could be cut and she explains why. In her opinion we have \$201,000.00 available in Special Ed, should something come up with regards to that.

High school students, if we kept them all as students at Central, as the towns' people were told would happen, we were not sending kids to Pinkerton this year. I think Pinkerton was a good choice, I like Pinkerton, it was a good decision. If they all go to Central, we save \$38,720 plus on busing, \$50,000 with a total of \$88,000 there.

Jodi Hedstrom when your figuring the cost for Central you are incorrect, the total for Central is \$11,232.00 and capital costs are \$137,871.00. The Pinkerton contract is \$11,936.00 even if you sent all the kids to Central it still averages out to \$13,000 in tuition. It is cheaper to send some of them to Pinkerton. It doesn't matter mathematically if Pinkerton is a cheaper choice, once you factor in the capital costs.

Selectman Young I'm glad you said that, I don't agree and I'll tell you why. Do we, or do we not, have a capital cost fund of over \$500,000?

Chairman Chivers Yes, we've spent 322,000.

Karen Lessard that is not to pay capital cost to Manchester.

Selectman Young what is that for?

Karen Lessard Its for maintenance items, like if the roof had to be replaced at Moore School we would use those funds.

Selectman Young so you relabeled that?

Karen Lessard It has not been relabeled, it's the same as it was when I started in 2005, and we cannot use it for Manchester.

Selectman Young What is it for?

Karen Lessard I didn't bring those with me, but it's for maintenance of the building.

Selectman Young when we were given what the fund was and the balances, it says gym, maintenance, sped, tech, facility and playground. Where is the capital cost fund.

Becky Cronk said that's not what she's talking about, she's talking about the \$500,000 that we encumbered for the capitol cost. \$322,000 of that was paid to Manchester as our settlement agreement. The remainder of that money will be returned in June 30th. So \$178,000 will be returned.

Selectman Young what's it called?

Becky Cronk it was encumbered funds. That money has to come back to the town.

Selectman Young another place that I would take a look at, easily \$50,000 could be taken from the Technology Department. We've been told that we have the best technology in the entire state. That's wonderful. If you look at all these pages and you look at the specifics as to what's being spent where. I roughly took out \$50,000

because several of the categories were replacements. They're not broken, there just going from iPad 1's to iPad 2's. It was for newer models.

Becky Cronk it's because the operating systems, the operating systems for the iPad 2, is no longer supporting the applications going forward, so we can use them as e-readers for our younger children. We need to continue to replace these based on our tech plan.

Selectman Young I would like to address salaries, and I think I speak for at least 4 out of the 5 selectmen and maybe 5 from the comments I've heard last night. They have publically agreed 1% is a fair increase, not 4%, not 4.5% not 2.5%, 1% is fair. I didn't call the five selectmen and ask because that's illegal to do that. I think taking 1% from top to bottom is one way cost could be contained.

Becky Cronk so your proposing 1% across all?

Selectman Young Yes, instead of 4% and Dana's asking for them to contribute more with the insurance plan.

Selectmen Chairman Boyd Chivers I would like to clarify we appoint Sue to represent the select board on town issues only, the relationship between the select board, school board and the budget committee. The select board takes no position on the school district affairs.

If she speaks on school matters, she's speaking for herself.

Stephanie Helmig I don't know who found that health plan with a \$29,000.00 savings, that doesn't happen. That's huge and then to make them contribute more is crazy.

Who ever found that plan is amazing. I would like to caution you on cutting Special Ed, I don't know how, maybe shots, maybe our food, I don't know how. Teachers are stressed with 15 kids in the class. I don't know why but children have changed, with ADD, ADHD, OCD, Personality Disorders, the teachers are stressed. The school has to pay for Special Ed, it's the law, and they could get in a little bit of trouble if the don't.

Carla Penfield I would like to just comment about the \$100,000 that Sue just spoke of. When I was on the budget committee for 10 years; the school board automatically puts in \$100,000 into the Special Ed department because their thought is that someone is going to move into town that they didn't plan on. But you have the \$200,000 to draw on in case someone moves in. That's what its for, you don't have to over budget that line. This town notoriously votes the default budget plus the contractual obligation. It's not smart to over budget that way.

Dr. Littlefield I don't want to get in on your town's debate, but would add, that you want to make sure your making decisions based on correct information. The Special Ed issue, you can't just go to that fund. We don't budget an extra \$100,000 for Special Ed, its based on the youngsters we have presently. We can only spend the money if it fits the definition for what the fund was set up for. It was set up for unanticipated special education expenses. We know what our expenses are. We had a student 4 years ago that had an educational expense was \$200,000. That student moved from within the district, I save \$200,000 in one but then got it taken in the other.

Chris Dewitt In my world I don't stick around for a 1% raise, the cost of living goes up, we should be supporting our teachers that want to come here. If insurance goes

down we want to charge them more because other towns do. Cut technology because we have the best around, I say we add more, let's continue to be the best. Technology is where it's at. Let's give the kids the tools they need to be successful. Sounds like all we want to do is take take take, but all we're really doing is taking from the kids.

Ingrid Byrd "On the back page is tuition for private school, can someone explain that increasing from \$62,000 to \$214,000.

Becky Cronk it's the tuition for four different school systems.

Ingrid Byrd The number of students, which is forecasted to be 312 and 60 staff members. There has to be a way to cut staff members without touching teachers. There has to be other ways to reduce salary and insurance.

Becky Cronk I have two different sets of data from the US Census Bureau regarding the towns' population. Susan Young mentioned last week that more than half the town is age 65 and older. I fact checked that. Between 2010 and 2014 the median age is 47.1 in the town of Candia. 12% are 65 and older. Out of 1,494 homes 300 of them are the 65 and older. The data is from 2010.

Judith Szot I believe that the cost of living last year was less than 1%. 4% is not a cost of living raise. Also the contract with Manchester, when was the start date for that contract and the end date? Also I understand there's also a lawsuit with Manchester because we didn't pay?

Becky Cronk 2003 was the start date. The end date was 2021. The lawsuit was settled through this agreement to allow our students to go elsewhere without penalties. It also negated any potential legal dispute because we allowed our students to go elsewhere without penalty. The settlement amount of \$322,000 and negotiated a deal each year going forward. It's \$200,000 less than if we had been paying the capital cost.

Nicole LaFlamme said we've saved approximately \$300,000 that the school board would have spent.

Chris Dewitt cut staff, we still have to clean the schools, we still have to serve lunch.

Todd Keating declining population, we might want to look at this. The fix is in, we have Pinkerton. Cutting technology, we want the best technology for our kids.

Ingrid Byrd stated that for this budget to be accepted the board is going to have to make it better or equal to the default budget.

Becky Sarra asked Selectman Young if the numbers she's using are the expenditures or budget if so were not comparing apples to apples.

Selectman Young maybe it should be said that this budget is up \$1,100,000 from what was spent in 2014 with 34 less students.

Judith Szot this speaks to what I said before, what you don't have is what was proposed for each of these years you can't make these comparisons without it.

Chairman Chivers said the proposed budget was \$7.7 million for that year.

Chairman Chivers any other comments?

Stephanie Helmig I would just like clarification on the tuition to private school \$150,000 that's four students and mandatory, ok so that's \$150,000, so then there's tuition to public academy of \$325,000 is that also mandatory? Yes ok.

Becky Cronk when we get our overall budget, what Karen does right off the bat, is calculate what we have an increase in. Our Special Education went up \$258,000 and

because we also needed to add a behavioral analyst for our IEPs, which is required, we had to add \$73,590. So between these two items we're adding \$331,000. Now our budget is only up \$300,000 from last year because we cut and level funded in other areas. That's not counting NH Retirement or health care as well as our science program that needs to be updated.

Nicole LaFlamme I would like Dr. Littlefield to tell us how much time you've spent on the budgeting process.

Dr. Littlefield well we start in early September, request come from the class rooms that goes to the principle. We then meet with the principal and all the directors. We go line item by line item. Its pretty hard to squeeze out me anything more than level funding. My reputation is a fiscal conservative, and I am.

Becky made a good point mandatory increases and a 1.69% increase in the NH Retirement more next year. If you keep adding these things up, they add up to the increase. I understand Medicare went up, I'm paying it. I know that the school district adds to your property value, all that is configured when they come to the board. There aren't very many school districts in the state of NH that are coming in with budgets less than the fixed costs. My three are.

Kim Royer The teachers increase was a 2% increase and SESPA was a 1.75%.

Selectman Young Is that including the step increase?

Kim Royer No. No the step increase is different.

Becky Cronk A lot of people turned out tonight. Are we putting this much effort into the planning board, or other departments to get development in to town to relieve some of this stress? We can't stay stagnant forever.

Ingrid Byrd every house that comes into town unless it's a \$500,000 home with one child does not pay with taxes what it cost to support what it cost the town.

What we need is commercial and industrial development.

Becky Sarra just wanted to clarify, that she meant business.

Tom St. Martin You can cut staff and life will go on. But keep in mind that none of the staff positions taken on were just standing around. I'm sure they had a position in mind when they hired them.

Carla Penfield I think it was 2-3 years ago that we took on a new staff member to coordinate the new Common Core program.

Chairman Chivers it was a three year position which expired. It has been changed to a Curriculum Facilitator.

Carla Penfield How much does that person make?

Dr. Littlefield The federal government passed the Common Core, we had no choice we have to implement it. There's been a lot of talk about common core and the federal government sticking their noses in with what happens locally. In the last session of congress they implemented common core on steroids. Which is called Every Student Succeeds Act. As long as we have to comply we need to have the staff to do it. After some point in time we should all get together and figure out what's driving this at the local level and who we can reach out to at the local level for relief.

Al Hall I've listened to a lot, times getting late so I'll make my comments brief.

After listening to last night and tonight, I support these folks 100%. The kids now will be supporting us later, we either support these folks 100% of what they're asking for or else Mr. McGillin will be dealing with these kids later.

Chairman Chivers If there's no other comments I will be closing the meeting to the public.

Selectman Young before we close it, I don't think that Carla got her answer?

Becky Cronk its \$69,929.00

Selectman Young Karen Lessard, is it true that the teachers don't have to attend the 8 Curriculum meetings a year?

Karen Lessard I have no idea what 8 Curriculum meetings you're talking about. There are no 8 curriculum meetings a year.

Selectman Young its in your new contract, do you want me to show you?

Dr. Littlefield said, yes that's true but the teachers are doing them during their prep periods.

Selectman Young so we have a Curriculum Facilitator but the teachers don't have to attend curriculum meetings?

Dr. Littlefield they're performing 40 of them instead of 8 of them during planning periods.

Paul Leblond Curriculum Facilitator, what was this person before that, has this person been there a long time?

Karen Lessard 30 years.

Selectman Young Is it a specialized degree?

Karen Lessard Masters.

Carla Penfield is the Curriculum Facilitator a new position?

Dr. Littlefield explained the position was basically renamed.

Nicole LaFlamme how many staff members have we reduced.

Dr. Littlefield this is the first time I haven't reduced a staff position.

If I ruled the world we wouldn't have 14 kids in a classrooms because your alternative isn't legal.

Chairman Chivers said, now it really is closed.

Brief break.

Chairman Chivers how would the board like to proceed.

Selectman Young it was stated that I said half of the town was on Social Security, sometimes I'm sarcastic. I've listened to the tapes 4 or 5 times and haven't found where I said that. If I'm wrong then I apologize, but if not I would hope you would correct that statement.

Chairman Chivers would anyone like to make a motion.

Dana Buckley people asked for specifics and I think I did that. I actually did the math on the cut, the only cut I asked for, and it comes out to \$18,998 off the top of a \$8.2 million budget. I've heard that if you want to cut anything than you don't give a damn about the school. I had a son in the school, that's not the case at all. I just wish they would have been a little more considerate of the tax payers. As I said the rates the town is expected to pay are not in line with what the other towns are paying. It's not even about the money it's the principle, the message you send with your actions.

Chairman Chivers of course we will be having another vote on the contract.

Dana Buckley I know, but its part of the budget, it's a line item. Well as Dr.

Littlefield said we can't change it, but we can reduce the line. It will have to come from somewhere else. It's a very small amount.

Chairman Chivers said it's like a symbolic gesture to show displeasure.

Bob Stout and as I said, I'm the one who proposed the 2% thing and it stimulated a lot of good conversation. I don't ever remember anyone on this committee asking to make class sizes bigger. That may have been audience comments. I don't want people to think that I don't support good education. I have a lot of confidence in the school board committee. They've done a great job over the years reviewing past budgets. Just looking at the history of overage, I wondered if that was an opportunity to maybe cut a little there.

Selectman Young I'd like to echo what he said. I'm really worried about the default budget. Unless some concessions are made that this might go to the default budget.

Jodi Hedstrom am I incorrect that the budget was \$25,000 dollars less than the default budget last year?

Chairman Chivers I don't remember.

Becky Cronk it was less.

Chairman Chivers well more times than not the town will vote for the lower number. When we come to the deliberative session we'll know what the default budget is then.

Paul Leblond and I would say if its close, I think a lot time the people will vote with what the Budget Committee recommends.

Paul Leblond made a motion to accept the budget as is.

Jodi Hedstrom seconded.

Chairman Chivers any additional discussion?

Vote was 5-3 Motion Carries.

In favor

Becky Cronk

Chair Chivers

Susan Gill

Jodi Hedstrom

Paul Leblond

Opposed

Selectman Young

Dana Buckley

Bob Stout

Chairman Chivers our next meeting is January 11th. Do you know when we are going to have the warrant articles?

Becky Cronk we should have them January 6th.

Chairman Chivers to Selectman Young, do you know when your going to vote on your warrant articles?

Selectman Young we've already voted of them.

Chairman Chivers all of them and made all of your recommendations? Can you get them to us.

Selectman Young yes all of them.

Becky Cronk motioned to suspend the meeting at 7:00pm at the Town Hall.

Selectman Young seconded.

All voted in favor.

Respectfully submitted,

Doreen Schibbelhute
Administrative Assistant