

Meeting of the Candia Municipal Budget Committee  
Approved Minutes  
May 10, 2017

Town Office Building

Members Present:

Budget Committee Chair Allyn Chivers, Selectman's Rep. Susan Young, School Board Rep. Stephanie Helmig, Paul Leblond, Jodi Hedstrom, Susan Gill Katrina Niles, Todd Keating.

Chairman Chivers opened the meeting at 7:00pm.

Pledge of Allegiance

Chairman Chivers; Bob Stout won't be here tonight. We have budget books. First order of business, we'll approve the minutes from last meeting. Selectman Young; I have corrections. I don't see Mr. Keating there for new members or for being there. Chairman Chivers; We have to add Todd. Any other corrections? Stephanie Helmig; Umm, second page it says, under me. It was something that Kim Royer actually said? Chairman Chivers; Wait, wait. Where are you? Stephanie Helmig; Kinda  $\frac{3}{4}$ 's of the way down. Chairman Chivers; Where it says Stephanie Helmig? Stephanie Helmig; Chairman Chivers; Where it says I am? Stephanie Helmig; Page 3. Chairman Chivers; Oh page three I'm sorry. I don't know what that particular line. That one? Stephanie Helmig; Yes, it says, it's people taking classes and you have to pass with a certain GPA. That was Kim Royer from the audience and I don't know if that matters. Chairman Chivers & Doreen Schibbelhute; Yes it does. Chairman Chivers; Yea, I thought that was Kim that said that. Did you say anything at all? Stephanie Helmig; I did. Chairman Chivers; Okay so right here, right there it should be Kim Royer. Doreen Schibbelhute; How do you spell that? Oh you know what? She didn't say her name. Lynn Chivers; R O Y E R. Doreen Schibbelhute; So I meant to change it but I didn't. I meant to ask somebody but. Chairman Chivers; Anybody else have anything? I have a few things here. Umm let's see. Oh, on the election of officers, you put no second. When I looked it up because I thought well gee maybe we have to have a second, but you don't have to have a second on the nominations. I checked Robert's rules. Doreen Schibbelhute; I figured you were going to read it. Chairman Chivers; Well I did, I crossed it off. It says though, if you do second it, you are not out of order. So you seconded, Jodie seconded umm Katrina's nomination and that's okay. It says, a nomination doesn't require a second. And then, move to accept the changes and I just added in all in favor. Lynn Chivers; I'm going to give you this one right here. There is a couple little things that I was going to. No it's like, you know... And then when you get to the very last page. In the end it says Bob Stout, looking up rules and procedures to reflect what is actually being done. Umm, there was motion and

we voted. So, I think we have to include everything that... because we changed the rules of procedure. Now I don't expect everybody to remember that from last month, but I looked it up and I sent you all the corrected copies. It was the wording and the wording on the new members. We changed it to say. Selectman Young; Make available. Chairman Chivers; Or tell them where to find it. The old one said that we furnished them the information and then we changed it to say umm that you would, new member will receive instructions on where to obtain the material. Including but not limited to. So I just think that we should have that, that'll be on the tape. Doreen Schibbelhute; Okay so you just want to change that. Chairman Chivers; I just want to add, that he made a motion and what the motion was and then I believe we all voted in favor of it, and its, rules of procedure. So I think we can get that off the table. Anything else on the menu? Ok, so do you want to wait until we get the corrected minutes or approve them? Selectman Young; can we approve them as amended? Chairman Chivers; yeah, and then we'll just make sure Doreen adds in that section about Bob's motion, the one that goes right here. Is there a motion to approve them as corrected? Jodi Hedstrom makes the motion, is there a second? Selectman Young; I'll second. Chairman Chivers; Sue seconds, all in favor.

Chairman Chivers; Now, the next thing on the agenda is from the last meeting, okay there was a question we were talking about, we were talking about non public sessions, and um, Sue said that our attorney has given us very specific guidelines when we can go into non public sessions, and you were goanna give everyone that information. Susan Young; okay and I did follow up with him again just to make sure, he did say, the reason I didn't email it to everyone and I probably could have, but he said please let them know that this is not for public., I'll read exactly what he said on the email. Which is why I didn't send it in an email. Because I asked his permission when he responded to me, and he said if I distribute them, he said I have no problem I can distribute my email to your colleagues, just remind them communication is privileged and should not be revealed, I know the content is innocuous, and in fact shows a certain amount of diligence on the part of the board but it's important for the board and its members to protect its right to communicate with its attorney in confidence. Therefore, I'm handing them to you. Chairman Chivers; okay so we won't make this an attachment for the minutes, you can just say you passed it out. Selectman Young; right, because he actually just sights 91A, and at the end he just gives his, well you can see it at the very end. Chairman Chivers; So we can all read these, everybody can read these on their own so they understand when its appropriate to go into a non public and what the process is. Okay all done with that. Then I think there was one other question. Selectman Young; the Primex, for the town you mean? Chairman Chivers; um, I didn't see that in the minutes, was there a question about Primex? Selectman Young; I think you explained it, and she added it on. Chairman Chivers; yeah Donna explained it, so I think that was all set. I don't remember any other questions for the town. Okay there was a question for Stephanie, um.. I don't understand it though. Stephanie Helmig; there was a question between, the proposed budgets didn't seem to be reflected in the expenditure report. Chairman Chivers; right, because it says, to get a good explanation from the school board with regards to how the numbers are coming together

in the format so,. Stephanie Helmig; so, the proposed budget amendment had not been approved prior to her expenditure report, so it just hadn't made its way in, so if you look at the May 4<sup>th</sup>, the proposed changes made it in. Chairman Chivers; okay, let me just, your going to have to help me remember, we were talking about the budget adjustments, and there were some things in the budget adjustments that weren't reflecting in the expenditure report. But she did your budget but she hadn't,. Stephanie Helmig; She so, the report she gave us, what is today May? Was dated April, it was before the school board approved the budgets adjustments. Chairman Chivers; Right, right, approved the budget adjustments, okay, alright. Stephanie Helmig; so now they've been approving this month, and then they report they are incorporated in, you can see. Chairman Chivers; yeah they'll be incorporated in this report. Stephanie Helmig; yes I checked it. Chairman Chivers; Okay. Alright everybody good with all that. Stephanie Helmig; I think that the big item was you lift as a building repair. And you will see on the May 4<sup>th</sup> report, that it is listed off as the expenditure reports. Chairman Chivers; Okay, alright. Okay we all good with that? Okay, I'll give these to you because they have the corrections, the yellow highlighted is just stuff I had, its just for my own. Doreen Schibbelhute; Yep, okay. Chairman Chivers; Okay then, theres one other thing I wanted to bring up, we had some questions about, we talked about a little tiny bit about encumbrances, and so I put in your packets the rules on encumbrances, and I just think it's a good reminder for everybody about how the encumbrances work, I'm not going to read everything here, I'm going to give you the basics and you can read them at your leisure when your reading other stuff. It comes from the section on lapsing in the law about appropriations lapsing so we appropriate the money and at the end of the calendar year, or in the case of the school, and the end of the school year, the money lapses. Meaning, we can't spend it, except if you look at the first roman numeral one, unless the amount has prior to the end of fiscal school year, has become encumbered by legally enforceable obligation, created by contract or otherwise to any person for the expenditure of that amount. So that means basically that before the end of the calendar year we have a contract with XYZ Carpeting to come in and carpet the whole building and they tell us its going to cost \$10,000. So we can take \$10,000 out of the current year money even though they're not going to do the work until next year and were not going to pay them until next year. Susan Gill; so we need a legal obligation so we have to venture into a contract with them... we can't just plan to do it. Chairman Chivers; that's the whole point, we can't just say this is what were going to do, or we can't say well lets set aside money and we'll buy new chairs next year. Jodi Hedstrom; but does anybody check for those contracts? Chairman Chivers; I have never asked for a contract. Jodi Hedstrom; Okay. Selectman Young; No because the bookkeeper said that hasn't been done because of the road agent. He doesn't do that, Jodi Hedstrom; Ok. Selectman Young; He doesn't have a contract. Jodi Hedstrom; Okay. Just wondering, if it says it. Selectman Young; I don't believe it been... Chairman Chivers; We've never asked, the school I've never asked for a contract, one year the school paid the referees, I don't think we had a contract with all of the referees. But I think we have to back and look at what the law actually says. Stephanie Helmig; I did ask because it was 1.5 million as of May 4<sup>th</sup>. Lynn Chivers; what was 1.5 million? Stephanie Helmig;

The school encumbered funds, I said do you carry that over year to year, and she said no were not allowed. It zeros out at the end of the fiscal year. Lynn Chivers; Well when Karen list that report with encumbered funds, those are obligations that she's aware of by the end of the year, like she knows we have to pay the teachers through the end of the year, she knows we have to pay whatever, other expenses will come up, like if you look at the report, the substitutes, there's no encumbered funds I don't think for substitutes, but obviously somebody's gonna get sick and were gonna have to pay substitutes. Stephanie Helmig; Yep, I just thought it was an awful lot of money between now and July first. Lynn Chivers; But then the school board encumbers funds at the end of the year for whatever, repairs in the summer, whatever, and the same rules apply, there has to be a contract. We can't just say were going to put this money aside and were going to use it for this purpose. So any questions about encumbered funds? Yes Dean? Dean Young; Does it have to be a contract or can it be an estimate because any time I've ever done anything for the fire department I needed an estimate from, it's like when we hot topped the front of the fire house, I got an estimate from George Taylor, of the amount and that was enough. Are you saying that's illegal? Chairman Chivers; Well, yes it is. I mean illegal is a strong word, I'd say it's not the correct procedure because it has to be legally enforceable, a legally enforceable obligation. Now if you get an estimate and you say to the guy we changed our minds, that's okay. Now you can get the estimate with a contract and say subject to approval by the board of selectmen, which is pretty much the same thing, okay because if the selectmen don't want to encumber those funds to pave the front of the fire department your not going to do it. Dean Young; I'll just give you the perfect example I encumbered \$8000 last year to rebuild the pump on engine two. Now, I couldn't get a contract from Wayne Perkins because he wouldn't do that because until he opened it up he couldn't know how much it was going to cost, in fact in the end it cost us \$12,800. He's not going to write a contract for \$8,000, the \$8,000 was because that's what he thought it would cost and that's what I had left in my budget and I put it towards that. Susan Gill; I think that contract is probably a bad word, it's legally enforceable. Chairman Chivers; Right right. Because he could make a small claim court if he didn't pay him. Chairman Chivers; If you didn't have him do the work. Susan Young; It says created by contract or otherwise and our auditors have gone for our books because like I said Dennis does it all the time. Jodi Hedstrom; Yeah that's why I asked. Dean Young; I've always been told you have to specifically say what the money was going be for, and you needed an estimate from someone, but never a contract, that's the one that trips me. Chairman Chivers; It also says legally enforceable, so an estimate is not legally enforceable, you know. Dean Young; Yep I agree. Stephanie Helmig; But sometimes the estimates will say \$8000, If done before such and such a date. Susan Gill; Well I think it's also have you accepted the estimates, and he sent you an estimate but obviously he needs something in return from you before he begins the work, so whatever that is that happens between him giving you an estimate and him starting the work, something has to happen. Susan Young; yeah that could go under, or otherwise. Susan Gill; You have to agree to allow him to do the work. Chairman Chivers; agree to have him do the work, yeah and even though it's an estimate you can acknowledge the fact that it's an estimate and there

may be a different amount but you agree to allow them to do the work. Jodi Hedstrom; So I guess what I'm getting at is are we suppose to be looking at every ones contracts, as if it's an encumbered fund, is it our job to make sure that there's contract for each thing that's encumbered. Lynn Chivers; Um, I don't have an answer to that. Susan Gill; I would suspect no. Jodi Hedstrom; That's why I asked. Todd Keating; Why don't you just asked him if their under contract and if they say yes that's good enough, you don't actually have to see it. Katrina Niles; If you ever wanted to get them tested, then it would be at that point that you would say, well clearly if we all wanted to dispute it. Chairman Chivers; Were not going through every single.. Jodi Hedstrom; No no no, but that's why I asked it's saying contracts. Susan Gill; If an accountant is not capturing it correctly, we have far bigger issues. I don't think it's our job to see if the accountant is doing their job correctly. Selectman Young; Right, if the auditors say we're ok I leave it alone. Chairman Chivers; I just think we have to be a little more careful about our encumbered funds, because in the past we have just said in some cases we want to do this work, were going set X dollars aside and that's it. And I think that's a little bit too sloppy, I think we have to be a little bit more careful. I told Donna I'm not going backwards, and look at everything we've done in the past and we encumbered for this year that we didn't have contracts or any kind of agreement, I said but just going forward I think we need to be a little more careful. Selectman Young; Right, if they said their going get their engine fixed for \$8000 or whatever it is and they decided to spend it on a BBQ or something that might be problematic. Paul Leblond; As long as their spending it on what their job was. Selectman Young; Right, or return it to the town if you don't spend it. Chairman Chivers; So there it is, and I just copied the page out of this book, this contractually and encumbered fund, encumbered funds are those which the municipality has a legal obligation to pay, with the obligations of rights in before the end of the fiscal year, but not paid by the end of the fiscal year. It's referred to as an encumbered amount, planning to spend the money is not enough, the obligation must be legally enforceable and then it gives an example, so. Jodi Hedstrom; doesn't seem like the town uses the encumbrance. Chairman Chivers; Yeah we do, on the revenue report. If you look at page 9, over the encumbered funds from 2016, it says '15. And you see the fire department rebuild pump engine two, \$8000. So they get reported to us every year by the town and the school.

Chairman Chivers; Okay the next item to review is the town reports. Does anybody have any questions about the town reports? Paul Leblond; the miscellaneous... Chairman Chivers; yeah I was kind of curious about that too. Selectman Young; I'm sorry what page are you on. Chairman Chivers; page one. The bottom. Susan Gill; there's the description of that on the next page. Chairman Chivers; I don't know, I couldn't find anything in there. Selectman Young; Alright so you would like to know about the revenue. Chairman Chivers; and then on that report at the top column it says 10/30/17 and 10/30/17, I'm sure that's suppose to say 16. Jodi Hedstrom; Can I interrupt, the womens club did donate \$678 for the park, so maybe in the miscellaneous revenue it has that money. It's somewhere around 6.. Todd Keating; yea but that's \$19,000. Jodi Hedstrom; Yeah but you said we took a credit of \$19,000. Susan Gill; they're really close

but their not,.. Selectman Young; Last year it was \$19,000. Jodi Hedstrom; So somebody probably made a donation in 16 and they didn't. Selectman Young; So you want to know? Chairman Chivers; whats the credit for last year. Jodi Hedstrom; the womans club was nice enough to buy the benches at the park. Chairman Chivers; now speaking about that I got really confused, if you look at the last page, the comparative revenue report, theres no number on it. The 2016 year to date revenue is 409,000 and on this page its 383,000. I don't know why, I don't know why the two don't agree.

Selectman Young; And I apologize the auditors were just here going through everything this month. I'll find out.

Chairman Chivers; Yeah so if you could check with Donna. I did have a question about the insurance, no about the support, page 7, right about in the middle, under town office expenses, software support and licensing fees and I know the cost has gone up this year, is that \$39,000.00 going to be enough? Selectman Young; I think what we do, cause I've asked her about this before, I think we pay at the beginning of the year, its for the whole year, but it did go up so it should be ok. Anytime I see anything go below 75% I start wondering if were going to make it? What's left would basically go for support should anything break. Anybody else have any questions on the towns revenue or expense report.

Chairman Chivers: Going onto the school report, starting with the expenditure report. Did anyone have any questions? Todd Keating; There was a legal fee question that came up at the school board meeting but was answered. Chairman Chivers; What was the question? Todd Keating; It was the \$3,000.00 legal fee, it was a contract for the year was the answer. Chairman Chivers; Well on the budget adjustment, increased \$3000 and took it out of regular teachers salary, legal fees more than they budgeted. Todd Keating; yeah I got the same answer. Chairman Chivers; any questions on the expenditure report? Then we'll go on to the proposed budget adjustments. Any questions on the budget adjustments? Selectman Young; Could you just tell me something, does this mean that their not going to get there health supplies and the text books and like that? When you go down to the 21 or 5735 where it says health replacement equipment? Stephanie Helmig; I think what she does she looks at accounts. Todd Keating; no isn't that the total \$1,707.00 just broken down? Selectman Young; no theyre taking out of those lines. Stephanie Helmig; I think what she does, she knows she doesn't have any expenditures coming up. I asked and their allowed to do that. Selectman Young; I just felt bad if they needed health supplies and text books and they weren't getting them. Stephanie Helmig; The question I had was the charter school services, the last item, that is special ed even though it just says special ed written.

I was curious, I thought charter schools were more of a parent paid school and she said that its special ed. Jodi Hedstrom; charter school are publically funded, privately run. So they use public dollars as long as their not a religious organization, that's how a lot of the Manchester kids go to the Founders Academy or anything that's all paid for with town money. What happens to high school, how does that work, if a kid goes in in May, how does that get paid. Todd Keating; its got to be prorated. Chairman Chivers; I don't know

do they prorate it? Could you find that out? Or a kid moves out of town, do you get a refund. Stephanie Helmig; my assumption would be they might pay quarterly. Selectman Young; if it's the way it used to be, they take attendance every quarter, I believe, so if someone drops out, don't quote me on it, we're not still paying for them. That's the way they used to do it. Find out from someone who really knows.

Chairman Chivers; ok we have our revenue report. Selectman Young; Its good that its up, its up by \$100,000. Chairman Chivers; Im confused here, on the state education tax? Stephanie Helmig; What happens is, I guess, the town collects the money and the state sends it back. Chairman Chivers; Well last year at this time we had \$900,000 and now we have \$158,000? Stephanie Helmig; She thinks after the work is produced we receive a payment. This report is as of May 4<sup>th</sup>. I can check with her. Chairman Chivers; as long as that's correct and were not going to be \$800,000 short. Stephanie Helmig; no that's the portion from the town tax. Selectman Young; we just sent a payment over just Monday night. Stephanie Helmig; Yes that's what she said. Selectman Young; that happened quarterly. Stephanie Helmig; and I had a question about catastrophic aid, she said that sometimes when there's exceptionally high cost for a special ed student the state will. Jodi Hedstrom; Say there's a student in town and he or she has to go to a high school the state would deem it catastrophic. Chairman Chivers; we've had a student that we've paid \$100,000 just for transportation. Susan Gill; Neither one of these proposed budget adjustments, are all spent. Chairman Chivers; and we also have the capital reserve fund for special ed. I told Karen thanks, I don't think we'll ask for it more than once a year. Then we have our enrollment reports. Paul Leblond; I'm surprised see we're down 13 kids since October, we should be trending in the other direction. Chairman Chivers; I wonder how the high school. Selectman Young; I was wondering, this is so helpful, when they compare the October to May because it would show a trend and I wondered why they don't have it for the high school because I was wondering myself if the people, I assume, go to Jesse Remington do it for other reasons, possibly religion, or what ever reason. I assume those three students will continue to go to Jesse Remington. I assume that the Trinity students will probably to continue to go to Trinity. Jodi Hedstrom; Theres one next year. One of the Trinity students changed to Pinkerton, he changed last month that's why I asked how they figured high school tuition. Last year we didn't know Pinkerton was an option until pretty much the week before school started so people had already registered with Trinity and Central, it was pretty crazy last year for 8<sup>th</sup> grade parents. Chairman Chivers; So this doesn't tell us the numbers, the total if its going up or down. Selectman Young; well because I wondered for kindergarten, I thought they took the money from Child Find when they did the budget adjustments, I thought they took all the money from Child Find, wait a second maybe I'm imaging that? Because it was supposed to be 36 or 38 remember last year they said 36 or 38. Katrina Niles; So are we doing full day, or have we been. Jodi Hedstrom; for the last 4 years. Selectman Young; The state just enacted it, or there in the process of it. Chairman Chivers; Ok anybody have any more questions?

Ok before we all head on off to the sunset anything anybody else want to bring up?

Selectman Young; I will try and get you a key because the more we get into summer. I just don't want to have you standing there waiting. Stephanie Helmig; What they're proposing is that they will have 30 students in kindergarten next year.

Chairman Chivers; They're proposing? Stephanie Helmig; Yes they had an information night two weeks ago.

Chairman Chivers; Do we have a motion to adjourn?

Susan Gill made the motion.

Katrina Niles seconded it.

Close of meeting 7:45