

~~Unapproved~~ Approved  
**Candia Selectmen's Joint Public Meeting Minutes**  
**Monday, January 5, 2009**

**Attendance:** Chairman Fred Kelley, Vice-Chair Rick Lazott, Selectman Tom Giffen (Selectmen's Budget Committee Representative), Selectman Joe Duarte, Selectman Carleton Robie, Finance Director Beth St. Pierre, and Administrative Assistant/Recording Secretary Dawn Chabot. Also in attendance were the following members of the Candia Budget Committee: Chair Carla Penfield, Judith Szot, Lynn Chivers, William Byrd, Kristine Pouliot, and Karen Smith/School Representative. Absent: Ann Tierno (vacation). With one vacancy due to recent resignation of member Stephen Higgins.

**6:05 p.m.** Chairman Kelley opened the Public Meeting and immediately followed with the Pledge of Allegiance.

**The Board to meet with members of the Budget Committee to discuss the need to make an Overexpenditure Request with the Department of Revenue in order to access funds from the Unreserved Fund Balance due to RSA 32:8 and in accordance with RSA 32:11:**

Chairman Kelley welcomed members of the Budget Committee. Assistant Chabot commenced the meeting by explaining that there were copies of RSA 32:11, 32:8, a copy of an email sent to DRA on March 20, 2008 and a copy of the potential request letter. Assistant Chabot explained that she and Finance Director St. Pierre initially contact DRA because the bottom line appeared very close as storm related expenses were coming in as well as other yearend invoices and the office wanted to find out if the remaining funds in the Household Hazardous Waste Day could be utilized towards the bottom line of the budget. Assistant Chabot explained in further talking to the DRA Rep., the Rep. advised that the Town should consider applying to the State to access funds from the Unreserved Fund Balance as other Towns are in similar situations with Storm related expenses. Assistant Chabot pointed out RSA 32:8 in which it is a violation to overspend the bottom line. Assistant Chabot stated during a conference call herself and Finance Director St. Pierre were advised that the Town had to pay 2008 invoices out of the 2008 budget and that the books needed to stay open for 10-days into the New Year. Assistant Chabot advised that DRA Rep Jeane Samms had informed that she was aware of four other Towns that she oversees going through the process because of weather related expenses. Assistant Chabot noted by the next day of the call it was clear to Finance Director St. Pierre that the bottom line of the budget would be overspent with the pending invoices received. Assistant Chabot explained that DRA Reps. provided the Town with information on the process and pointed to RSA32:11 noting that the majority of the Budget Committee would need to sign the request letter. Assistant Chabot referenced an email from 03/20/08 in which former Selectman Brennan and Chairman Kelley had asked her to contact DRA Rep. Jeane Samms to find out the process in the event the Town ran out of money due to an already troubled Highway Department budget (attached). Chairman Kelley asked for an explanation as to how this happened. Finance Director St. Pierre provided all members with the attached copies of updated spreadsheet containing 2008 expenditures as well as a predicted list of further 2008 expenses. Finance Director St. Pierre noted there were just a few departments that had overspent the bottom line of the their budget: Highway/weather related, Health & Welfare due to \$12,000.00 over expenditure on the direct assistance line and Tax Collector a small amount due to the need to purchase a new computer to replace a broken

computer. Finance Director St. Pierre explained that Department Heads were contacted on 12/31/2008 and requested to inform the office on any further pending 2008 expenses. Finance Director St. Pierre presented the attached list containing \$64,801.07 of pending 2008 invoices. Assistant Chabot explained that the exact figure was unknown as that time as this was Finance Director St. Pierre's first yearend as well as just before the meeting the Office received a call from the Fire Chief on a \$500.00 expense that he remembered and had not made her presented list. It was noted that due to the pending invoice the amount would now be \$65,301.07. Both Finance Director St. Pierre and Assistant Chabot stressed that the true amount on the over expenditure was unknown at this time and that was why the amount of the request was \$80,000. Assistant Chabot stated that DRA Rep. Jeane Samms had cautioned the Town to make sure they requested enough funds for the overexpenditure as they would not want to make another request. It was noted if the funds were not utilized they would remain in the fund balance. Finance Director St. Pierre reported at the time of the tax rate setting appointment the amount of the fund balance was \$604,033 and that minus the \$80,000 amount the Town would maintain a balance of approx. \$520,000 which would still be above the DRA's recommended retainage amount of 5%. Selectman Giffen advised the Board was aware of a problem in March and did inform department heads to minimize spending. Selectman Giffen noted the financial situation would have been worst but due to the delay in moving into the new Recycling Facility their expenditures were less as it is cheaper to burn. Assistant Chabot mentioned there was also a lay off at the Recycling Center. Selectman Giffen stated yes due to restructuring and the need to reorganize the labor force. Assistant Chabot stated that Finance Director St. Pierre pointed out that other departments did very well in keeping under budget, which was helpful in assisting with the Highway Department's over expenditures further adding that she did not want everyone to think this situation was due to foolish spending. Budget Committee (BC) member Lynn Chivers questioned if remaining funds from the Special Police Detail warrant article or the Americorps Warrant Articles could be utilized. Finance Director St. Pierre stated she did speak to the DRA Rep. on those Warrant Articles and found out they could not be utilized because of the matching revenues associated with them. Selectman Lazott noted there were not a lot of options since the books have to remain open until January 10, 2009. Selectman Giffen noted the Auditors would not allow deferring. Chair Penfield referred to the 2<sup>nd</sup> paragraph of the March email from DRA Rep. Jeane Samms in which she suggests the transferring of lines. Chair Penfield felt that was the time to start transferring, the time to set money aside and to freeze spending. Selectman Giffen felt Chair Penfield was reading a little more into it. Chair Penfield stated the Board did not take advantage at that time to act on the problem. In reference to RSA 32:11, Chair Penfield wondered why the Board was not referencing paragraph II instead of I and then they would not need the majority of the Budget Committee to sign the letter. Selectman Giffen agreed that the RSA was confusing and after explaining his interpretation, he closed by stating the Town was advised by DRA to follow paragraph I. Chair Penfield stated with the \$80,000 requested amount, the request was clearly not just due to the Ice Storm. Finance Director St. Pierre agreed that it was not just due to the ice storm stating the overages were weather related expenses. She further stated as of April 2008, the Highway budget was already overexpended by \$64,000 and as of Dec. 31<sup>st</sup> the Highway budget was overexpended by \$140,000. She further explained in December alone \$76,000 was spent on winter related expenses and approx. half of that was ice storm related. Selectman Giffen stated he was surprised by the amount as well. Chair Penfield told the Board they knew about the problem and had the opportunity to stop it in which they clearly didn't do it. Chair Penfield went on to state to the Board that the Community voted in an

amount in which the Board was expected not to go over and that the Board could have had a lay off or taken other measures to prevent the over expenditure. Chair Penfield stated she spoke with DRA as she was concerned what would happen if the Budget Committee did not sign the letter. She stated she found out that DRA would not give the Town the money, the Board would be forced to pay 2008 bills out of the 2009 budget in which they could be removed from Office for doing. Chair Penfield stated then the Community would be in an uproar and the Town would more than likely incur legal expenses. Chair Penfield stated she was confused about the \$80,000 amount and felt the situation was extremely unfortunate and was an avoidable situation. Selectman Duarte agreed that there were things they could have done but stated it is very tough when you have a budget that is so close. Selectman Giffen commented that he did not want to think about how tight the 2008 budget was. Selectman Lazott questioned if the Board should have held up the \$150,000 warrant article for reconstruction of Patten Hill Road, noting it had never been done before as the Board was unaware that this was allowed. Budget Committee member Kristine Pouliot felt the situation was a total disrespect to the Budget Committee and felt better communication between the two groups was important as the Budget Committee is another avenue for the citizens to have a voice to talk to the Selectmen. Member Pouliot commented that Road Agent Lewis does an awesome job on his budget. Citizen Ed Caito commented that 2008 was an unprecedented time for the economy, with record breaking snowfalls at the beginning of 2008, and also with an Ice Storm consisting of a two week power outage two weeks before yearend. Ed Caito further noted that the legal fees would be huge if the request was not made. Ed Caito commented that the Selectmen should work collectively, consider holding off on future expenditures like warrant articles until yearend, lastly noting the economy drove the Direct Assistance line up. Ed Caito stated he would ask that the Board look at the financial information as a Board. Ed Caito commented that the statement made "this could have been avoided" was unfortunate because we don't know. Road Agent Lewis advised we never tapped into warrant articles before because we did not think we could. Some of the Board members agreed. Road Agent Lewis stated in the past there was one year when the Town had spent less than \$10,000 in December and in 2008 the Town spent approx. \$80,000 in December alone. Road Agent Lewis further stated that they operate on a shoe string budget way lower than other Towns and that the shoe string budget did not work for the Town this year. He also commented that the Town was getting a lot for their money noting his crew plows fast & efficiently. Road Agent Lewis felt the Highway Department budget was heading for a bad pattern again, stating it was a bad trend and that he didn't even want to look at the 15-day weather forecast because the beginning of 2009 was not looking favorable. BC member Szot stated the email shows the Board was aware of the problem, that the Board does not allow the two groups to work together as they do not allow members to come into the office to ask questions and felt that hurt the Town. BC member Szot felt there had to be ways to correct the problem and went on to say that they are not trying to micromanage. BC member Szot asked what was spent on the Ice Storm. After some discussion, Road Agent Lewis and Finance Director St. Pierre advised approx. \$26,000 for payroll, approx. \$4,000 for salt and approx. \$2,000 for sand. Chair Penfield stated the Committee did not have a true understanding of the overages. Finance Director St. Pierre reviewed the larger overages noting the main ones were the Highway Department and \$12,000 under Health & Welfare for direct assistance. Selectman Giffen stated as citizen Caito pointed out it is the responsibility of the Board and noted that he personally took responsibility for the situation as a Board member. Chair Penfield stated the School Board was anticipating an extremely tight budget and have taken corrective actions by

freezing their budget. Citizen and School Board member Ed Caito agreed but stated to Chair Penfield that he was not sure those actions would solve the problem. Chair Penfield suggested that the Board should have considered a lay off because they should not have overspent. She went on to state that she did not approve and that the only reason she would sign the letter was to prevent the issue from blowing up with legal costs incurred. She finally stated I don't like it and I don't approve. Citizen Boyd Chivers felt the Selectmen had been scolded enough and felt the groups should work on determining the number and proceed as the Town has to pay its vendors. Citizen Chivers stated he would disagree with using the funds on the Road reconstruction warrant article. Citizen Caito stated that would ultimately be the Board's decision. Citizen Caito asked if all anticipated invoices have been received. Finance Director St. Pierre stated an email was sent out to all Department Heads but some of the final invoices were still unknown. The phone call from the Fire Chief prior to the meeting regarding a pending invoice was brought up again. Citizen Caito asked what happens when the revenues come in below. Selectman Giffen stated the figures are adjusted off from the fund balance. Chair Penfield mentioned that the Budget Committee looked at the declining revenues.

Selectman Lazott motioned to have the Board of Selectmen sign the request letter as presented requesting to access \$80,000.00 off from the unreserved fund balance. Seconded by Selectman Giffen. All in favor. Motion carried.

Budget Committee Chair Penfield called for a vote on the DRA request letter. BC member Kristine Pouliot motioned to sign the request letter as presented. Seconded by BC member/School Board Rep. Karen Smith. Chair Penfield called for the number of hands that would sign the letter. The following members raised their hands: Chair Carla Penfield, Kristine Pouliot, Lynn Chivers, School Board Rep. Karen Smith and Selectmen's Rep. Tom Giffen. Opposed Judith Szot and William Byrd. Motion carried. The presented letter was signed by the five voting members. It was questioned if Selectmen's Rep. Giffen could vote on the matter. Assistant Chabot advised she asked the DRA Rep the question this afternoon and the DRA Rep. indicated he was a voting member for the Budget Committee.

Selectman Robie commented if elected in March, he would do his best to make sure this does not happen again. Road Agent Lewis commented that the Town is in the process of applying for a 75% FEMA grant for the Ice Storm with a State percentage as well and that the money would go into the fund balance when it is granted. Selectman Lazott wanted to make it clear that the \$80,000 request was only a place holder number and that if funds were not needed for the over expenditure, they would remain in the fund balance.

**7:10 p.m.** Selectman Lazott motioned to adjourn the Selectmen's Public Meeting. Seconded by Selectman Giffen. All in favor. Motion carried.