

Meeting of the Candia Municipal Budget Committee

May 11, 2016

Town Offices, Candia, NH

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

Members absent: none

Chairman Chivers opened the meeting at 7:00pm

Pledge of allegiance

OLD BUSINESS

Approve minutes

Changes requested:

- On pg. 2, paragraph 5, change Coughlin to LeBlond
- On pg. 5, paragraph 4, change Stout to Cronk

Motion: To approve minutes with above corrections from April 13th, 2016. (1st – Hedstrom, 2nd – Coughlin). **Approved 8-0**

Answer Questions from Last Meeting

Town:

Chivers asked about the revenue line for \$44,076. Young replied it was from the sale of properties. She'd talked to Donna about it. Per Donna's response, at the end of this year you'll see a big bump under miscellaneous revenue comparing December of last year to December of this year. She said that the auditors told Donna how to do it. She said that Donna wrote 'miscellaneous revenue will show up in the December comparative report because it came in last year December'. Chivers asked why it doesn't it show up under sale of tax-deeded properties. Young replied because the accountant told her not to put it there because it was already listed when he sent out the tax bill. Per Donna's response, she 'believed the town had previously deeded these properties for unpaid property taxes. Per the town auditor, in the 2014 audit report, they are included in the tax-deeded property subject to resale receivable account. The revenue for these properties would have been recognized in the year that the taxes were committed. Any additional fees or interest earned on the sale will be reflected as interest and penalties on taxes. The remaining \$25,590 was disclaimed by the former owner, should be shown as donated revenue. I will work with Donna to make sure we show the correct figures for each amount in the final

accounting'. That was his explanation from it. Chivers asked when we would ever have something in the line that says sale of tax deeded property. Young said she didn't think we will. It will go under miscellaneous revenue. Chivers asked why we have that line then. Young said she didn't know why he said it was listed originally when we send out the tax bill. Chivers said that we have a line item for the sale of tax deeded properties. If you look at the last page of the town expense comparison, it says sale of tax deeded property, 0-0-0. Hedstrom agreed it would make sense for the revenue to go against that line item, and that having it against the miscellaneous line seemed inappropriate. That doesn't let the townspeople know where that money actually came from. Chivers added that we actually made \$44,000 in addition to the taxes by selling tax deeded property. Young said the auditor assisted Donna in doing all of this and he said that we've already claimed the revenue when the original tax bills went out so it can't be claimed again and is therefore miscellaneous. Chivers said the miscellaneous was not the original taxes. The miscellaneous was all the penalties and the extra 15%, and asked again why it doesn't show up in sale of tax deeded properties because that was income we received because we sold tax deeded properties. Young said because he said you claim the revenue when the original tax bills go out. She said she spoke with Donna 3 or 4 times with her on this because it wasn't clear to her that we're not listing the actual sale prices if you look at the breakdown, some of it is for old taxes or taxes due on the property which were already listed and others are just purchases. She suggested we invite Donna to speak to it directly. Hedstrom said it still didn't make any sense. She could understand for tax reasons if it's the end of the year and you have to put it under a miscellaneous line item but in order for the town to actually see where that line item goes, it should be listed under tax. Young said it was at the end of the year, she thought on the 29th of December. Chivers said it didn't show up for last year or this year. She wanted to know #1, why do we have a line item, and when would we ever show money in there if we putting it in miscellaneous? It's misleading. She understood and recalled that because they show the uncollected taxes as revenue even through they're uncollected. But when they sell the tax-deeded properties, they charge all these extra fees and the 15th% which is the \$44k. Young offered to call the auditor and ask him or her to explain it. Chivers said ask why we don't put it under sale of tax deeded property, and when would we ever do that? If you look at the report for last year in December, that line is zero. It is also zero in the comparative revenue report for 2014 to 2015. Young said it was posted in January. She (Donna) waited until they all came in, so it was posted on 1/13/16, even though it was deposited on December 29th. Chivers replied it was zero for both 2015 & 2016. The \$44k was in 2015, miscellaneous income. She said she just wanted to understand why we have a sale of tax-deeded property line item, when something would go in that line item, and why the miscellaneous \$44k was not included in that line item. Young said she would ask the auditor directly.

Young briefly mentioned that she'd looking into whether we could use town email addresses. But it was going to cost thousands if we went through the town, and we're already found another solution. So it wasn't worth discussing at this point.

Chivers said there was a question for Cronk – what was the expense for 'Additional survey on school owned property'? LaFlamme replied that was part of the site revision plan that they're working on right now with the Turner group. They have some safety issues that are part of the drop-off / pick-up, etc. As they move forward with pieces of that plan there will be expenses so that's what that is referring to. Young confirmed that answered her question from last time.

NEW BUSINESS

Review Town Reports

Chivers had a question on page 7 on Software Support/License Fees. We spent \$21k so far out of our \$33k budget. Do we normally spend it at the beginning of the year? Is there something unusual this year? Young said she asked about the office supplies and why the percentage was so low, and that is what they do. They do it all at once. You won't find that spread out over the different months. Chivers said they've spent \$21k so far this year, are they going to spend the whole \$33k? Young said she thought the rest of it was needed, but she could ask. She had similar questions on several other items. Coughlin said he presumed that we have a lot of different software packages in operation for the town. And when you buy something, typically if it's software-related you pay an annual license fee. So if you buy software periodically throughout the year, you're likely to have renewals come up on a certain anniversary. Chivers said it just seemed funny that the town has spent so much of their budget and it's only April. Gill said if you looked at the Expense Comparison (2015 and 2016, as of 4/30/16) under the 'Town Officers Expenses' which is where this falls, it's very close year on year. It was \$67k in April of last year, and \$65k now. It looked like wages and the software licenses make up the bulk of that, so that would seem to indicate it was roughly the same, year-on-year. Chivers agreed. Young added if you looked at the total operating budget, we're right about where we should be. Which everyone generally agreed was due to the reduced winter maintenance line.

Chivers had another question on the unnumbered page right after page 9 on the \$7,300 for 'Other Federal Grant reimbursement', Young said she thought it was for the police departments lasers, but wasn't sure and would get to her on that.

Review School Reports

Young asked about getting the reports earlier, but the group generally agreed that the current time of 5 days in advance was sufficient. Reports would not be printed before Tuesday to make sure Chivers had everything available for printing.

Buckley asked if there was a line item in here, or that's included in a line item, the dues for the NHSBA. Gill asked what the NHSBA was. Buckley said the NH School Board Association. They're a lobbying organization. LaFlamme responded they are not a lobbying organization. Chivers interrupted and pointed out neither speaker had been recognized. She said we'll see if we can find the line item. She asked if it was included in the SAU because we don't get a breakout of the SAU. It's reported as one line. LaFlamme said it possibly could be. It could be 'School Board Dues & Fees' but she would have to get confirmation. Chivers asked what page. LaFlamme said School Board Dues & Fees is on page 9 of 13. At the very top, the 5th item down. It could be under there, but she could get confirmation. Chivers asked her to confirm where it is, and how much it is. Buckley said the reason why he brought this up is because they are a lobbying organization. They have a registered lobbyist on staff. There is a NH RSA that forbids public funds from being used for lobbying organizations. He thought the school board should cease with the dues. Manchester does not use them. Nashua does not use them. They're the two largest school districts in the state and they manage to function. He's talked to a lot of people in town and brought this to their attention and they do not want their tax dollars being used for this. Chivers said we'll see how much and where it is, and we'll probably have to get a legal opinion. Buckley said he had a copy of the RSA right here if anyone wanted a copy of it. Number 15.5.

LaFlamme asked if there is a code of ethics that the Budget Committee operates under, or a code of conduct. Chivers said we have the rules of procedure. LaFlamme asked if the policies were public. Chivers said she assumed so because we discuss them in public. She had 2012 rules there. She was trying to think if she had them digitally anywhere. She agreed to give LaFlamme a copy when she found it. LaFlamme said that would be fine. It would be helpful if she could get a copy. Chivers said they'd been through so many administrative assistants. They rules were revised. The administrative assistant typed them up and she had no idea where they went. LaFlamme said that was not a problem. Stout said when he was looking for information on the split vote he had trouble finding anything online. LaFlamme said there's RSA 32, but she wanted specific to Candia. Chivers showed a copy of the Candia Municipal Budget Committee rules of procedure that were discussed and revised August 8th, 2012. That's was the last time they were changed.

Buckley asked how the budget committee gets a legal opinion. Have we done that in the past? Chivers said she can call the NH Municipal Association or can call our attorney. Hedstrom asked whether the role of the budget committee was to yay or nay an item. She said we don't get to tell the school board how to do their money. We can take the line item out ... we can say we'll cut \$5,890 off of this school board dues but we don't have the right to tell them they can't use that money? Chivers said we don't direct, we can recommend. Buckley said he thought they used the word 'suggest' too. He understood the role was not to tell the school board what they can and can't do. Chivers said we can make recommendations, and on a lot of things, not just money items. We can say we think you should get your warrant articles to us sooner. And we can vote on a line item. But we can only make recommendations and that's the reason we have the liaisons so that we can say 'we think you should...'. We can, as a body, make a recommendation, or a suggestion. Young said so the town auditor might say no, we're going to leave the properties listed as they are. Chivers said correct. Young said it was the same thing with the town. Buckley asked if we could get a legal opinion on this. Chivers said we'll take a look at where it is, and how much it is and then as a group we'll decide if we want to do that. Hedstrom asked if it's under the School Board services - we don't know what they need for services. We don't know exactly what services they need because we're not on the School Board. Chivers said that's correct, but if we decide as a body that we all think it's a good idea we can vote not to fund it. And without that opinion, we may not feel qualified to make that decision. LaFlamme said undoubtedly you will spend more money getting a legal opinion than we spend on dues. Chivers said it doesn't cost anything to call the Municipal Association and the attorney for the town is on retainer. She can email the NH Municipal Association is free. And they're really good, they get back right away.

Buckley said the reason he brought it up is because there are people paying taxes in this town who are concerned about it. Chivers said we would revisit. Hedstrom said we have a lot of things our town lobbies for. So with organizations we support. So she didn't understand how that one line item. Buckley said it's a state RSA, and he had a copy. It was information he was sharing with the board. Public funds cannot be used for lobbying. It's RSA 15.5. He has a copy of the RSA. Chivers said if you're talking about the warrant articles for Child & Family services and all those, those are direct assistance fund. So we give money to Child & Family services so they can provide services. It's direct assistance. Hedstrom asked what they consider lobbying. The fire department puts out a letter and asks for money and fundraises, so that technically could be considered lobbying. Where is that line? Buckley said there's a state registry of registered lobbyists in the state of NH. There is a member of NHSBA that is on that, so they are a lobbying organization. Same thing with the NH School Administrators Association. Dean Michener on the NHSBA and Mark Joyce is on the school administrators.

LaFlamme said she thought Buckley was providing false information. She didn't think that was appropriate in a public meeting. Buckley said he was not providing false information. LaFlamme asked if

he had proof. Buckley said he had a copy of the RSA. LaFlamme said she understood he has the RSA, but could he provide two pieces of information right this moment. Could he tell her all of the school districts in NH that do use the NHSBA? Buckley asked what that had to do with whether or not the NHSBA is a lobbying organization. LaFlamme said because he just cited that the city of Manchester and the city of Nashua do not use it. So conversely she was asking him to provide the names of all the school districts that do use it. Buckley asked what does that have to do with whether or not the NHSBA is a lobbying organization? LaFlamme said because he brought that into this. He brought into this the two that don't use it. So she was asking him to share the information about who does use it. Buckley said there are some school districts that use it, and some that don't. That was irrelevant to whether or not the NH School Board Association is a lobbying organization. LaFlamme said that wasn't her question. What he said was Manchester & Nashua do not use it and they are able to handle their school systems without using it. So that's her line of questioning. He's saying that. Here's the question - which of the school districts in the state of NH do use NH School Board Associations? Buckley said he did not know which ones do and which ones don't. He knows that some do and some don't. Young said we can look that up for the next meeting. Chivers said she thought the point is that if some people are using them, then they would also be in violation. Buckley said we're not on the budget committee in other towns. We're on the budget committee here. LaFlamme said she understood that. But again her point was that he brought up Manchester and Nashua so she was asking that other questions as examples. Because the majority do use them. Secondly, did he have proof that night? He mentioned several times that NHSBA is a lobbying organization. She disputed that. Did he have proof with him now? Buckley said anybody at this meeting can go home tonight and look at the list of registered lobbyists in NH and look up Dean Michener. LaFlamme said she understood that. But he was making a statement in a public meeting. He was putting that into the minutes and it's inaccurate. Buckley said it was a fact. Hedstrom asked if the lobbyist represented himself on the Board or the NHSBA. Buckley said he's employed by NHSBA. Hedstrom said she could be employed by Fidelity and go sit on a board, it doesn't mean she was lobbying for Fidelity. Buckley said he's listed as a registered lobbyist with an association to the NHSBA on the list of registered lobbyists in the state of NH. Chivers suggested he bring in the list of registered lobbyists next time.

Young asked about the HS Public Academy tuition on page 2, and the enrollment numbers. Was there a specific reason why those people were not attending Central other than the 11th grade class when they weren't in compliance? Chivers clarified she was asking about the other public high schools. Young said yes. Do we pay for all of them to go where they want? LaFlamme said no, it's not 100%. If it's in this budget and it's going to Public Academy there's a very clear specific reason why that's being paid for that particular student. It could be court required. It could be something from the DOE, so that would be very very specific. There are a lot of families in town that are paying on their own. Which is obviously not in this budget. Young asked if she knew how many parents pay tuition. Half? Or how many have special exceptions? Hedstrom said she believed that what's listed here is what we're paying for. LaFlamme clarified that the enrollment report covers all students except homeschooled. It doesn't include homeschooled. Gill said so potentially in say, the Pinkerton line there will be students who are paid for and students that are not paid for. LaFlamme agreed. Buckley asked if she had an estimated number of home-schooled students in Candia. Chivers said they're monitored, but she didn't know who monitors them. Perhaps the state office of education. Buckley said it seemed like there were quite a few. Young asked how many of the students attending Pinkerton, Londonderry and Raymond pay tuition. She didn't need an exact number, but was it half? How many have gotten exceptions? LaFlamme thought it was less than half. She said she could get an exact number if she wanted. She couldn't give names, obviously, but she could get numbers. Buckley asked whose discretion is it whether they're going to get the funding from the town if they go to one of those schools. Is it entirely the school

boards? LaFlamme said no, there's quite a bit that goes into that. It's a school board decision. It's also a decision that's dictated with the current contract we have with the city of Manchester that runs through 2018. And there are also pieces that the DOE requires. Manifest educational hardship is a state RSA and the DOE is the one that does the hearings on that so on and so forth. It's very elaborate.

Chivers asked for other questions. Buckley said he had submitted a request for public records from the SAU and they said there's a process. He wasn't aware of the process for the budget committee and wanted to know what it was. Chivers said that could be discussed under 'Other Business' when they got it.

Chivers said she had a question on page 11, at the top, the first and third lines the 'Maintenance Building Repairs' and the 'Building Improvements'. She said it didn't look like we've spent a lot. She knows there are a lot of issues with the building. The school year is almost out – do they have plans to keep working on the building and to spend those funds? LaFlamme said absolutely. But the challenge is that that building is 24/7 usage. So it's difficult to work around all of the student's and public usage of the building. Quite a bit of things happened – as many as they could – during April vacation. And as soon as those kids last day – which she thought was June 15th So June 16th drive by and you going to see an awful lot of trucks there. Our director of maintenance has been doing a great job; she's juggling the schedule and making sure that she gets everybody in there to get work done over the summer

Buckley said he had a question that was taken from the minutes. It was \$8,750 that was used to purchase new smart boards. Is that a line item or represented in one of the line items? LaFlamme said yes, smart boards are a part of the Technology, so we replaced some e-beams which the IOS systems are no longer available for. So it's part of the technology fund. Buckley asked if they were under warranty. LaFlamme said the smart boards were over 10 years old. Buckley said so they weren't under warranty? LaFlamme said in the last ten years the technology has significantly changed so it's not a warranty issue. It's a technology issue. The IOS systems with those old smart boards were no longer operational with current device technologies so it didn't make any sense. We've got a great tech director, Dan Roma, and he does a really good job making sure that all of our tech equipment is up to speed, and working well. And if there's a warranty issue, absolutely. We've got a really great, professional team that runs that school so they're on top of that.

Young asked about the 'Wage Pool' on page 12, 'Support Services'. Was that for the paras? LaFlamme said yes, support services includes paraprofessionals, and all the support teams.

No questions on the Budget Adjustments or Project Financial Position. Chivers asked if there were any questions on the enrollment reports.

LaFlamme said that are four families that are moving out. They're leaving because of the high school situation. So we know there will be a few kids less. But the numbers right now that we have for registered kindergarteners for the fall is significantly higher than normal for this time. Someone asked what situation she was referring to. LaFlamme said the high school. Hedstrom said they don't want to go to Central. We have to pay for two years to go to Pinkerton. LaFlamme said the school district of Candia has a contract with Manchester that runs through 2018. Hedstrom said she believed from her graduating class there were 13 that were registered at Central out of 38 kids. As far as she knew, there were two that actually want to go to Central. The rest are unfortunately not able to afford to go to Pinkerton. So they're going to Central because their parents can't afford it. It's really kind of devastating for the class. It's tough.

Coughlin asked in the right hand column, is that May 2015 correct? Chivers said yes. May 2015, October 2015, and then on the left is today. Gill said so where they were last year, and where they started this

school year. Chivers said yes, and where we are today. Young asked how many kindergarteners the school has coming in. LaFlamme said she didn't what the total number will be, but as of two weeks ago there were 24 registered. Which is significantly more than the same time a year ago. There are parents who don't know they need to register ahead of time, so they will get more walking in. So if we've already got 24 registered it's pretty good, considering. Young asked if they have Child Find. LaFlamme said yes, we do have that, yes. Young said she thought she saw that as zero somewhere but they might have put it in another line. LaFlamme said they changed the name of it. They're always changing the name of these programs.

Other

Chivers asked Buckley what he wanted to bring up. Buckley said he wanted to request some public information and he was told there was a procedure. Chivers said if the budget committee wants information then we tell the School Board rep and they submit it or if it's information from the town we tell the town rep. Buckley said so they said there was a review process. What's to be reviewed? It's just a request for public records. Chivers said the review is if the Budget Committee wants the information. So it's not something that one person would do. So if the Budget Committee says we'd like that information then we ask the school board for the information. That's all. They don't want ten different people contacting them for things. Buckley said he had submitted a request to get a more complete picture of the funding for the Moore School. He wanted to see the history of the last 5 years of all state and federal funding because that's not represented in the budget reports. And grants. So he had submitted a request for that to the SAU. Chivers said he emailed Karen Lessard and she said there's a process. LaFlamme said would you like to see a copy of the email that he sent? She did print it out in case you wanted to see it. Chivers said no, she didn't think that was necessary. How did the budget committee feel? Would we like to make that request to the SAU for the income? We get income from the town. We know what the town's incomes source is. Coughlin said it would be interesting to know what kind of grants have been coming in and what the trends are. Chivers said she didn't think that was unreasonable. Buckley said if he were a private citizen then he could just go and get it so he didn't understand why there's that process. Because there's right-to-know. If one member of the budget committee wanted something and nobody else, they should still have access to that. Chivers joked unless the request was totally outrageous, like asking how much the SAU staff weighed. Hedstrom said she didn't need a copy. She didn't think it has any bearing on the school budget. The school budget we get is after the fact, so it's not going to change the school budget. So she didn't have any interest in looking at it. And she didn't care what happened five years ago. She cared about the projected budget next year. That's what she wants to work on. So she didn't need a copy. LaFlamme asked if there was a reason for 5 years' worth of documented data. Buckley said he just wanted recent history. He didn't want to go into the reasons for it because... there are a lot of people in town that feel like they pay a lot in property taxes and there are things that are being pushed from the federal government that they're not comfortable with and their voices are being ignored in this town. Last year he asked the question how much money did we get for state and federal government funding and it was \$300k on an \$8.1m budget. That's less than 4% so there are people that are concerned. They want to see that differentiation. Why are they paying so much and they feel like they're getting ignored. Young said she thought it was a reasonable thing. Chivers asked how many people are in favor of requesting the information. A majority of people raised their hands. Chivers asked LaFlamme if she could communicate to Karen. LaFlamme said not a problem. LaFlamme asked if she could ask another question. Chivers said sure. LaFlamme asked is this part of a legal action? Buckley said no, not that he was aware of. It's just an informational request. LaFlamme said OK. Hedstrom said he question was as a Budget Committee, how would knowing what the federal funds are, how is that going to change our perspective of the school

board budget? The final line item numbers. She was just looking at it time-wise, and budget-wise. How does that make any difference to the end result of how the budget comes out? Chivers said sometimes when we look at the budget and we've seen from year to year that our portion keeps going up. Our percentage. In a lot of areas. That the federal and state funding keeps decreasing and we keep paying more and more. So it's informational. It doesn't mean we're going to stop paying it. It's like police retirement. We're still going to pay police retirement, but we also vote for our state legislators and it's still good information to know that OK, now why is our budget going up every year. Well, it's going up because our federal funding has been reduced. So those are examples where that information is useful to us. Not that it's going to say, we're not going to pay for any of this. Hedstrom said that's what she wanted to know - how does that affect the bottom line? Stout said he was in the governor's office yesterday for Board of Pharmacy business, a joint pharma report. And it was great to have budget numbers that didn't affect us from other points. So when you're sitting down at the table to talk about what the state's doing and not, that you have some perspective. So he just thought information is never a bad thing. LaFlamme said it's a good example, because as an example we've had to pay significantly more amount to teachers' retirement fund from a local level than from a state level. That things that are being pushed down. She thought asking for five years – it is a huge project. And it is a lot of work for our SAU 15 team. So if you can give us some time to do that. And she just asks that this not be retaliatory. Because it feels a little bit retaliatory because of his personal biases towards the recent policy that was just implemented. So there's seems to be a bit of that happening with the Budget Committee, and she's hoping that's not the case. Buckley said it wasn't retaliatory. It's information. There are people that are in town that have expressed to him they would like to see this information. Young said we get it from the town, let's get it from the school. Chivers agreed we get it from the town with the income sources. Buckley said he asked for it last year actually too. He didn't follow up on it. He was at the joint meeting with the school board and he asked at that point what the federal funds were. So she can say its interesting timing but he had asked for it last year. Chivers said she thought it was reasonable. Young said she thought, with all due respect, with the tax rate of \$21 and over \$16 of that is going towards education vs. \$4 for the town and \$1 for the county, she didn't think it's unreasonable to ask any question like that. Hedstrom said she just wanted to know how it would behoove us in any way. It's not going to change the end budget item. In the end So that's why she was asking what is that ream of paperwork – it's not going to change the budget come next year what they get from the federal government or not. Buckley said it's a summary of where the money is coming from. Dollar amounts, if it's tied into a program, and if it's earmarked. He don't need every last piece of paper tied to this. LaFlamme said yes, a summary page, that's what we assumed you were looking for. Buckley said somebody told him it's actually on the DOE website in the state if she wanted to direct him to that. Chivers said we've asked for it. Buckley said whatever makes it easier. He wasn't looking to make extra work for the SAU. LaFlamme said it was not a problem. They had no problem providing that, she was just trying to understand why. And what is the will of the board. Coughlin suggested the DOE link could be emailed out to the board.

Motion: To adjourn (1st – Coughlin, 2nd – LeBlond). **Approved 8-0.**