

Meeting of the Candia Municipal Budget Committee

June 8, 2016

Town Offices, Candia, NH

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

Members absent: Kevin Coughlin, Paul LeBlond

Chairman Chivers opened the meeting at 7:00pm

Pledge of allegiance

OLD BUSINESS

Approve minutes

Motion: To approve minutes (1st – Stout, 2nd – Buckley). **Approved 7-0**

Answer Questions from Last Meeting

Town:

Chivers: The question about the income from the tax-deeded properties and the way it's listed. Donna said she talked to the auditor, and she has added a new line called 'Sale of Tax Deeded Property – Fees'. That's what this income is - it's not the actual taxes, it's the fees that they charge. This line was in December 2015. So when we get to the end 2016 and we're comparing with 2015, then it will show \$43,976 as 'Sale of Tax-Deeded Property – Fees'. She broke it out for me, all the properties and what the income was from each property. It won't show up as misc income, I think that was our major concern.

The next question on unnumbered page right after 9, \$7,300 for 'Other Fed Grant / Reimbursement'. Young: The \$7,376 is for reimbursement from the IRS for social security payments that were deducted from an employee's paycheck in error from 2012 through and including 2014.

School:

Chivers: The NH School Board Association - we wanted to know how much were the fees and where are they in the budget. Cronk: We pay a total \$3,454.65 to the New Hampshire School Board Association for the 2015-16 year. And it pulls from under School Board Services, page 9 in this month's report. The last

line of School Board Services, 'School Board Dues & Fees'. Buckley: So there are some other dues & fees in there that aren't going to the NHSBA? Cronk: Correct. So if we take courses through either the NHSBA or if we go to conferences or anything like that, that's also included in there for the school board members. Buckley: Do you know if the NH School Administrators Association fees are represented in that line item? Cronk: I don't believe so. But I could check. Buckley: Yes, please. Cronk: I would assume that the administration fees are for the SAU so I would assume that that would be part of the SAU cost and that would be shared amongst Candia, Hooksett & Auburn. Young: So the association for School Principals, that's not going to be listed under Office of the Principal Service? Cronk: That would be my assumption but I can find out for sure. Stout: What does the town get for the dues we pay? Cronk: Through what we pay to the NH School Board Association, they provide us with new school board member orientation, so you can come in & you learn about the RSA's that govern the School Board. It gives you training on different things like superintendent search, handling of certain activities that may be coming up or happening within the realm of school law. They give us updates on legislation that are both state & federal that are coming down the pipe for us. Or keep us abreast of things that are going on currently that are being discussed either in the house or senate of NH or federally that we would need to be aware of to consider for our school districts. They also help us with policies – they give us nice drafts of policies that have been reviewed by different councils. Then we bring them in and have them reviewed with our council and we discuss them as a board and we can change them or implement them based on what we feel fits our schools. They give us training. It's guidance for our administration. It's guidance for the school board on how to do things and what we can and can't do based on the RSA's that are in place. So it's a valuable service for us, so that we're not flying blind. Stout: And how do they base the structure of their fees? Cronk: I don't know that – I can ask. Stout: I'm just curious if it's by student, what the parameters are. Just for some guidelines so we have a better understanding. Buckley: It is also important to point out that they are a lobbying organization. I provided some information. I think there's no doubt about that now. It was stated at the last meeting that they weren't. They have lobbied against a lot of parental rights bills in the state of NH. I've talked to some parents in town and they do not want their money going to that. So I hope the school board will consider that. Cronk: I can tell you we find them a valuable resource for us, for the school, for the school administration. And I don't believe that we will be changing that practice. It's utilized by numerous districts within the state and if you look at the numbers, the majority of the school districts use them. Buckley: The two largest ones don't – Manchester and Nashua and they manage to function in their school systems which are a lot more complex than ours. Cronk: I understand that but you are also talking about small town politics here and we would like to have that backing and that guidance. Buckley: Do the school board not consider how some of the tax payers feel about that? Cronk: I can understand what your concerns are, but we're also looking at how to run our school. And what's best for the school. As the Budget Committee, you can make a recommendation to the school board. It doesn't mean the School Board is going to change their policy. And how they've operated in the past. We've had a relationship with the NH School Board Administration for years and it's benefitted us as a town and as a community in our school. So I don't know where you want to go with this at this point. You've voiced your opinion, and you've voiced it numerous times. But you really can't do anything more other than try to make a recommendation. Buckley: I understand that. If the School Board is not willing to take that into consideration, maybe a warrant article would be the appropriate way to see how the people in town

actually feel. Hedstrom: My concern is that the city of Manchester – they have a plethora of attorneys who are there advising their school board. Does the School Board Association have attorneys on board that are advising our small, local school board? Are we opening a can of worms by making our legal fees triple by now saying to the School board you need to go through attorneys in order to do every single policy, where the School Board Association has the lawyers on hand and \$3,500 a year to draft policies, have them approved, have them legally approved, look at legislation. Now we're looking at hiring attorneys to do all the same things for our school board. I think that seems a little short-sighted. If we're talking about budget, that seems like the opposite way to go because that legal counsel is still going to need to be there for policies, for guidelines, to do School Board training, to do all the things that it provides. Are we willing to take on the cost that now has to be supplemented from letting go of an organization that provides those services? Buckley: I was under the impression that the school has an attorney that is separate from the NHSBA on staff. Cronk: Yes, we do. And we pay him every time that we meet with him, every time that he comes and discusses stuff at our school board meetings, we're paying him. And we're paying him at a very high dollar. You've seen our legal fees line - if we continue to utilize his service, we're going to see that line triple and even quadruple. That line, where we were at ~ \$25k at this point, you going to see that number now exponentially grow vs the \$3,500 we pay to the NH School Board Association which gives us all of these tools that we can then bounce off our attorney in a smaller scale. We're not having to utilize them to understand 'what does this law mean'? And 'what do we need to'? 'We need to draft this policy, we'll have to do draft 1, 2 & 3' and that's going to cost us \$3,000 each time. I understand what you are saying that they are a lobbyist organization, but they are also lobbying for the benefit of the schools of the state of NH. I think that it's very short sighted to say we're not going to use them because they're lobbying, whether it's for or against what you're doing. That's like saying I'm not going to use a certain vendor because I don't like their stance on "x", I feel "y". And I think that we really would be cutting off our nose to spite our face if we pull out from the NH School Board Association because of that small piece. Which is a very small piece of what they do. Buckley: My point is if they're giving you advice that the people in town don't feel is in their best interest, every time you're seeking legal advice, they're advising you on things that goes against the interest of the people in town. The people have the right to say "We don't want to have these people dictating the agenda at our school". Chivers: You're right, and you could do that as a warrant article. That's not really an issue for the Budget Committee. Buckley: The other thing is, I found the letter from the law firm that it said it would be a violation if you're not separating the dues being paid to the NHSBA or any other organization that's doing lobbying from the school budget as long as they are state funds in the school budget. Merrimack actually decided to set up a separate bank account to do that because they were concerned that they'd be in violation of the RSA. I don't believe we're currently doing that in Candia right now. Cronk: No, but I also know that discussions have been had, and based on what the requirements are for the RSA 15 that you've indicated, it's showing that we've been informed that we are not in violation of the RSA as you are seeing it because it's not state funds that we're utilizing for our purposes. Buckley: That's section 1. Section 2 of the RSA says if you receive state funds you can't co-mingle on the town funds if you're going to use those town funds to pay the NHSBA. Which it sounds like is going on now. I don't think there's a separation of those town tax revenues from the state funds that are both going into the school district budget. I could be wrong, but based on what we discussed at the last meeting I don't think that's the case. Cronk: I'm not sure where the state funds are placed.

However, I do know that state funds are only allowed to be utilized for the intended purpose. So if it's deemed an educational purpose that is what it needs to be utilized for. If it's deemed for a certain task or item, that is what it's only allowed to be used for. I don't know where those funds are directly deposited. Chivers: Could you check if they are all co-mingled and is there any chance that we could separate? Gill: Do they need to be in a separate bank account? Or do they just need to be accounted for separately? Young: Yes, it can't be mere bookkeeping. Hedstrom: But that is a lawyer's opinion, that's not the court's opinion. We could find a lawyer's opinion for anything. That's not through the state, that's not a state mandate. What they're saying has not been proven in a court of law. So I think this is a lot of hubbub for \$3,400. Stout: Even if you wanted to go down that path – and I read the whole letter – it was a 2012 letter and it could be accurate. But I would think that if we're going to hang our hat on doing any kind of changes, we would want our attorney to give us his opinion on whether he thinks we have grounds in Candia that are similar to that. Because you're right, you could get a totally different opinion from somebody else. Chivers: And that's an issue for the school board. That's not our issue. So you guys can talk it over, decide what you want to do and let us know.

Chivers: The next question was about the number of kids in the high school, and how many are self-funded. Cronk: We have 19 high schools students other than Manchester that are being paid for by the school district. I don't have exact years. That will go down to 18 next year because we have one senior that's graduating this year. And then the majority of students that remain are our junior class from when Manchester was in breach of contract we allowed other students to go elsewhere. Young: I have 45 of 184. Cronk: So we're only paying – other than Manchester schools – we're only paying for 19 of those students. Everybody else is paying their own. Young: 19 are special exceptions? Cronk: I can't tell you if any of these students that are outside of Manchester are Special Ed based on this form. Chivers: So we're paying all of Central, all of Memorial, all of West and all of MST. Then there's Pinkerton, Londonderry, and Raymond and we're paying for 19 of those. So out of 26 kids, we're paying 19. So 7 are self-paid at public school. Cronk: Yes. And I know all 7 that are in grade 9 are paying themselves.

Cronk: I also have, as requested, the federal funds that we received. I didn't bring copies of it, I was just going to list them out for you. Chivers: I would like copies. Can you email to all of us? Cronk: Yes, I can. Buckley: State funds too, right? Not just federal? Cronk: I can ask – because what I have here are the federal funds we received including the lunch program, and not including the lunch program. So it gives you the breakdown with and without the lunch program. Chivers: But it doesn't give us the state funds or any grants? Cronk: I don't have income from state or grants. Chivers: OK, please email that it to everybody.

NEW BUSINESS

Review Town Reports

Expense Comparison Report

Stout: The economy must be a little better – people are buying cars. Chivers: Our expenses are down \$175k, and our revenue is up \$40k. Gill: The Highway Winter Fund is \$150k of the \$175k. Chivers: And

we didn't buy a baler this year, so Solid Waste is down \$21k. Stout: Do we have any contingency funds for equipment if something breaks? Young: Other than the fire department's, no. Stout: They have a lot of equipment there. Cronk: I see that the Parks & Rec budget has gone up quite a bit. You guys have spent \$10,800 this year. I would like to publically say thank you. And please let the Board of Selectman know thank you for taking the time to fix up Moore Park for our kids. That softball field – we appreciate that. Hedstrom: Yes we do, I have a softball player who does not get injured on the benches any longer, so thank you! Cronk: Plus all the painting & improvements – it looks so much nicer now. It's nice to invite towns over to our little Moore Park now.

Review School Reports

Projected Financial Report

Chivers: It shows we're going to have a 3% Projected Surplus. Hedstrom: Does that take into account what's going on legally with Manchester? Cronk: I am not positive where we are at currently with our legal fees. It looks like we're budgeting in additional funds. Chivers: In legal fees, she shows projected expenses. Cronk: Right, but we're still in litigation. Chivers: Is this on the capital costs? Cronk: Yes. Chivers: There's a lot of money on the table there. Young: We signed a contract though, didn't we? I looked at the agreement with Manchester – didn't we sign a contract that said we would pay for the capital costs? Cronk: The way that the contract was written is that as the districts leave - that capital cost that they pay would come out of the overall that was left. And when Hooksett and Auburn left they paid very large sums which should have brought our balance down to zero. Young: We wouldn't owe them anything? Cronk: Correct. Because of the way it was written, and the amounts that were due. Auburn paid over \$1M and Hooksett paid close to \$800k, or maybe even more. And that should have negated what we have. However Manchester is reading the contract in opposite.

Young: We don't get a revenue sheet from the school district? Chivers: No, we don't. This is what we get.

Expenditure Report

Buckley: Last year we talked about the common core facilitator – that was a temporary position? When is that going away? Cronk: This is the last year. Chivers: Yes, it was three years, and this is the third year.

Enrollment Report

Young: Did two move? I think we're down two from April [in high school enrollment]? They didn't drop out, correct? Cronk: We have families that move. Chivers: this shows 183 and this shows 182. So it was one student from May.

Cronk: For our kindergarten enrollments we're ahead of where we normally are at this time of the year. We already have 24 for next year and typically we wind up having another big burst come August because parents didn't realize they needed to register ahead of time. Young: I had asked about ChildFind at the last month. Do you know where ChildFind is listed now? Cronk: In the report itself? Gill: What is ChildFind? Cronk: The town of Candia is responsible for assessing all students preschool & up prior to

coming into the school district to see if they need any special needs. So we look at children and see are they on course? DO they need speech therapy? Do they need services prior to coming to school? So that's something that we offer and we do events, I think it's twice a year, to check those students over. Young: It's age 3 and above. Cronk: Yes. It's in here as ChildFind clinic. Chivers: Would it be in the Special Ed department? Cronk: it is under Special Programs which is where the Special Ed department is. It says ChildFind clinic, page 2. Young: There's no money scheduled for it. I thought it was actually was something that most districts do for ages 3 and over. Cronk: We don't do it until later in the year. Young: It's generally the end of the school year for the next year. Cronk: It's also something that you have to register for, so it may be that we didn't have anybody request it. I can ask about that. But typically you have to sign up for it. That would be my guess as to why we haven't expended any funds this year. Young: Is it not being advertised? Things like this, like registering for school? Cronk: Yes it is. It's in the Hooksett Banner. It's been in different local distributions. Hedstrom: It was on the sign too. Buckley: What does it give, an aptitude test or something to judge their needs? Cronk: They look to see if they have any special needs that need to be addressed before they ever make it into the school district. It may end up being that you need to have speech therapy. A tutor will come to you and work with you. Our Director of Special Ed Services would then follow that student's progress and make sure that they're actually doing well and making gains and if they're not then they re-assess and they make another plan. So it's no different than the interventions that we would implement within the school system. We're just doing it at a much earlier age.

Young: I have a question on Special Ed. Can you break down the number of Special Ed students in the elementary - I know no names are given - and the number in the high school including any 504's that need extra resources that can't be accommodated by the classroom teacher. Chivers: Will you explain what a 504 is to us? Cronk: it's an extra learning plan. So the class could have an aid, or it could have assisted reading or ESL or all the different programs in the school that are offered to a kid that may need extra help. And it outlines for the school, legally, what they have to provide. Chivers: So it's like an IEP? Cronk: It's slightly different than an IEP. A 504 is an accommodation that we can give. So if you have a child that needs a quiet environment, needs to be pulled out for testing because they're unable to do the testing within the same large group environment, you would have this document in place that's legally binding that says we will do x, y, z for the student. Chivers: So they're not necessarily special needs. But they need some sort of accommodation. Young: But it can be something as simple as they need extra time on a test. That can be the only thing in a 504. Cronk: I want to make sure I'm understanding what the question is. Let me give you back what I have written down and then I have a follow up question. So you're looking to find our Special Education department enrollment is currently with the number of students in the elementary school and the number of students in the high school. Then in addition to that you want to know how many 504's there are that require extra resources that cannot be accommodated by the in-classroom teacher. Young: That would be speech, or it might be something as simple as transportation. There might be a student with a 504 who cannot travel on the regular bus and we have a bus for him or her. That type of thing. Cronk: Now, my follow up question is what are you looking to gain by this information? I'm just trying to understand. Young: I'm just curious about what percentage of our students... to plan financially down the road. Cronk: Where I differ on that is so you're asking for our enrollment of Special Ed students in the elementary level. Are you looking for students placed outside of Candia? Young: Including that, yes. Cronk: Because if I give you a number of students in Candia that doesn't matter because that's part of what we budget here. So are you looking to have a direct correlation between what our special education funding is? Young: Would it be easier if you do something like you have here and break it down by grade? Cronk: I don't know that we can do

that because you would be able to identify. I think that becomes a very fine line that we're walking that we're now making it so you can identify who we're speaking of. Young: And that's not the purpose. Stout: I was going to ask the same question. So sitting here as a budget committee member, what value would that information give me, in my role here? Young: At least in my role as far as determining what might happen with the school budget certainly it would help me decide if funding is going to have to be... Let me back up a little bit. Hopefully some day we will have the town board and the school board working together so that if the school needs an addition, the town will put off on something. If the town needs something, the school will put off. Someday there will be that corporation. I dream of it, and I hope it will happen someday. If you work together like that, you can plan. If you know what's coming up you can plan. If we know that that budget is going to be at least that high in Special Education if not higher or lower, we can plan. It might be something where everyone gets together and says 'hey look, this is the year for a gymnasium. Or this is the year we should try to do this. Or this is the year we do the park, or add onto the town office building'. Stout: I've just been through this process once so far, and I was new when the budget came out. And I remember asking those questions when you looked at the lines when the budget was presented. I think the school board has a pretty good idea – a second grader going to third grade – what that expense is going to be. Cronk: Right, and in all honesty I think you're asking for is going to be a lot of pulling of material from our team that is ever changing. You get kids that are added and dropped to 504s daily. The IEPs are changed so the needs are changed so they needed OT services at one point in the year, and now they don't. I think even if I give you an estimate today, that could change Sept 1. Young: Don't do it – I'll get it another way. Hedstrom: Isn't the estimate already in the Special Ed item? Just like [Stout] said, they already know from first grade going into second, and second grade going into third. That money is already budgeted. Isn't it already a known fact of what services they need? And they have to leave a little cushion for maybe kids who are coming in or moving, or new 504's. Young: OK, let's let that go.

Young: One more question – we have a principal, an assistant principal, and we have Ms. Duncan for Student Services. How long has she been employed here? Cronk: This was her first year. Young: So our enrollment went down, and we added another administrator? Cronk: No. She replaced Nash Reddy. Young: I thought Nash Reddy was Special Ed coordinator? Cronk: Right, that's the role that Kathryn Duncan has. She is the director of Special Ed and that is the role that Nash Reddy just vacated last year. Young: I thought we had a third person there in charge of Student Services. We don't have another administrator? So she took Nash Reddy's place? Cronk: Correct. She is the one who controls all of our Special Education services, OT's 504, IEPs. That's what Nash was doing, and that is now her role.

Buckley: I have a question too. I was looking on the SAU website and one the Moore site. Do we have a grants coordinator? Or have somebody that has their primary job function as something else, but they do grants? Cronk: Not within the school district, no. Chivers: Does the SAU have anybody? Cronk: That might come under Marge, our assistant superintendent. But that's not something that we have someone on hand to do. Buckley: at the Moore School? Cronk: Not unless it's Bob or Michelle. Or someone of the staff who do it as part of what they're doing. Because you can always as an individual teacher look for grants, and write your own grant for it. But we don't have anyone dedicated to that either part time or full time. Buckley: I was just asking because I have a friend whose mother is a teacher in the Tewksbury school system for 30 years and she said that if you have somebody who is a grants coordinator who is good at their job can easily pull in 5,6,7 times their salary in revenue for the school. Has the school ever looked into it? Cronk: I don't know. That's not something that we've ever discussed. We try to get by with what we have for our students at this point.

Young: ALPS? Cronk: That's Minds in Motion with Mrs. Lindsey. Young: How many students are serviced with that? Cronk: All of the students go that program. Young: So they have a special once a week?

Cronk: Yes, that's one of their unified arts. Young: And what are the other ones? Cronk: Art, Health & Phys Ed, Library, Minds in Motion and Music.

Rules of Procedure

Chivers: The last time we updated them was August 2, 2012. And at that time we had an issue with people not showing up for the meetings. So you'll notice there's a section in here which comes right out of the RSA if you miss a certain number of meetings that are unexcused then we can ask you leave.

Buckley: So if we did want to make any changes we would have make sure that they were in accordance with that RSA? Chivers: Yes. Stout: I think we should do a better job of following the rules of procedure. Because when I came over and I think when Sue came on, I was not handed a copy of RSA 32. So as a matter of fact when I looked at the rules of procedure I went to the website and I printed RSA 32 and I read it and there's some interesting things in there. So I have a lot of questions regarding this. One of the questions I came up with was the recording of revenue and funding. That's a statutory requirement. When the school budget is presented to us, they have to have all the revenue. So maybe asking for the 5-years was out of line, and there is no requirement for that. But there is a requirement when the recommended expenditures are given to the Budget Committee that that's part of it, and I don't think we got that last year. Chivers: No, I don't think we've had that for a while.

Chivers: The other thing is the 'Basic Law of Budgeting' [book]. The town will not buy these for us. I spoke to the Chairman of the Board of Selectman and he said they're too expensive. Hedstrom: How much are they? Chivers: \$35 apiece. So we bought these for ourselves. I think it's excellent. And I refer to it quite frequently when I have questions. It talks about the role of the Budget Committee and it's specific to the things that we do. If you sign up for a workshop, you can get one. But we have to pay for our own workshops.

Stout: I have a broader question. The selectmen, the school board, they're considered governing bodies. Once we create the budget, and the budget is approved, then they have control over their money. They can move it around and spend it. Because the town, the legislative body has said 'your budget is \$8M, it's your money'. My question is, it seems like last year on reviewing the budget for the school, it says recommended by the school board, and recommended by the selectman. So we're getting third dibs at this. Cronk: It's not the selectman, it's the SAU. It's ours, then what the SAU thinks. Chivers: The way Mr. St. Cyr explained it is the teachers tell him what they want, he tells the school board, and the school board goes to the SAU. Then it comes to us. Stout: So my question is, at the end of the day, are we just blessing it? Or do we have more say? Cronk: Remember that binder that we give you? So that binder goes line by line in our monthly budget that we send you. And for each line are all the forms that say this is what we're looking for with this line. Those are presented by the teachers to Bob St. Cyr, then that whole package comes to us as a School Board. And we sit in conjunction with the SAU members and discuss it. And we can move it, adjust it, Dr. Littlefields likes to slash lines, or remove a couple things here and here. But for you guys, if you see an item that you question and you don't agree with you could always change that so that your line shows a different number. Chivers: In past years we've reduced the school budget by half a million dollars. And there were some years where the SAU and the school board were apart by a lot. They wanted \$90k for transportation and the SAU didn't, or something like that. There were lines where they were very different. So we could take some from the SAU, some from the school board, and some of our own. Cronk: So if you agree with it, great. But if it's something you guys wholeheartedly disagree with, you can always... Chivers: And in past years, we have. Young: It really

doesn't matter, because it's a bottom line budget, if you want to be honest. Cronk: But the bottom line would change. Chivers: We've reduced the bottom line by half a million dollars.

Stout: So reading the statute, a lot of that talk about the 10% cap is based off of what the budget committee recommends. Chivers: Remember last year with Main St? We did not recommend purchasing that property, and the 10% rule applied. Hedstrom: We can't lower either by more than 10%, correct? Chivers: No, you can lower it all you want. The 10% rule does not apply. So if you go in with an \$8M budget, the deliberative session could come up with a \$5M budget. But you can't increase it. Hedstrom: I remember at one point in the deliberative session the parent's rallied and they moved the budget back up. So it goes back and forth. Chivers: Yes, it can go up, it can go down. Stout: How soon did we get those books? Cronk: They were available more than two weeks in advance. I sit and read every line. I look at every number, every penny. And it took me about four hours to do it. And I have notes on almost every page. So I think there was more than enough time. Chivers: It was the warrant articles we had an issue with, because we got those the night we had to vote on them. And you had another meeting that night. Cronk: That was the night we had SAU. Stout: And what's the status with the teachers' contract? Cronk: It was a one year contract. So we're good through next year. Then we'll be doing it again.

Young: As far as these rules of procedure, go to page 2, it says the chair may choose not to vote on motions, except to break a tie. He or she shall state intentions at the first meeting following the election of officers. Chivers: Yes, I choose to vote, instead of abstaining. Stout: In Robert's Rules it says that if you're the chair, you act more as a neutral position if you let the rest of the committee decide. You don't try to swing the vote. Chivers: I could choose not to vote except to break ties. But I don't choose that.

Young: I work outside the home. I can't receive the school budget one day before the meeting. I would like to see it out in our procedures that both the town and school budget reports complete with revenue are received by all budget committee members at least five days prior to the meeting. I am confident with the competent professionals who are responsible for reporting – certainly with the SAU and the school – that this could easily be accomplished. Cronk: I don't think we can accomplish that because we meet four days before. We review the documentation we give you on the Thursday before this meeting. Young: But it's already been spent, what do you review? Cronk: So if you have any questions regarding budget adjustments or anything of that nature, we look at all of that information ahead of time and I don't believe that we've ever released it to you before we've reviewed it. Chivers: But she can give it to us on Friday? Cronk: Right, but that's not five days. Five calendar days, but not five business days. Young: This was printed off the 24th of May. Chivers: I didn't get it. I emailed Karen and asked her for it. So if we could get it Friday that would be good. And last month she sent it to me on Friday. But this month when I sent out the agenda, I didn't have it. Stout: It is nice having it for the weekend. Chivers: I send it out to you guys as soon as I get it. Friday would be wonderful. Young: Can we put that in here so it's not just 'oh, this would be nice?' but so that it's a procedure that we receive? Hedstrom: That might be difficult if they move their meeting to say, a Monday and we're still on Wednesday. They might not be able to do that. They might not always keep their school meeting five days out. Cronk: We do have other meetings that we schedule around. Hedstrom: So a date might be difficult. Stout: How about they send it out within one day of reviewing it so whenever their meeting is they're trying to send it out as soon as possible? Young: I wouldn't do that. I'll tell you why. It doesn't need their review. It's a fact. This is their expenditures. That's all I'm asking for. This and the revenue. It's nothing that has to wait for the school board's blessing. It's just a fact of what's been spent. And by the end of the month they know what's been spent. And our [meeting] is usually at least 1-2 weeks into the month. I assume they're usually accurate. Cronk: I think the way that it's always gone is that we review it before we distribute them. The board reviews it before it's distributed. Chivers: We can still get it Friday. Cronk: Absolutely. I

think, like Jodi said, putting that it needs to be specifically five days isn't what we need. But I will assure you that I can make sure you get them on Friday. Chivers: Let's go with getting them on Friday. Young: So do I make a motion? Does it go in the procedure? Is it an understanding? Gill: I think we leave it as an understanding for now. Young: And will it include revenue? Cronk: I will ask if that can be included. Chivers: If you look at the 'Information Requested by the Budget Committee' in the last section, "shall furnish costs, revenues, services to the committee". It's included in the information that's supposed to be included to us on a regular basis.

Chivers: Anything else on rules of procedure? If at some point we feel the need to change anything, or add anything, we certainly can do that. Hedstrom: Just a clarification, can we email each other with things about the budget committee? Or is that something to be discussed in meetings? I thought the only things to be emailed were agendas. Chivers: You can email information. You can't have a discussion via email. Cronk: If that information is being provided in the email format, it needs to be included and attached to our budget committee minutes if discussed. Like your letter that was referenced, you need to provide a copy of that so it can be attached with the minutes. Young: That doesn't happen with the school board? Nothing is attached to their minutes. Cronk: What we have is our packet. Some of that information can't be attached. Young: In the regular school board meeting, nothing is attached. The enrollments not attached, nothing is attached. Even if there's a complaint letter discussed. Nothing is attached. Buckley: I provided links too, obviously you can't attach the link. But you can include the link. Stout: We did discuss the letter tonight. Chivers: The letter about the Merrimack School District? Yes, we did. So you can include the links. More information is good.

Chivers: Becky closed her email account because she has an SAU email. bcronk@sau15.net. Cronk: The reason that I did that is because I am not a member of the budget committee, I'm a representative to the budget committee from the school board. So my documentation should still come to the school board email that I utilize. Young: Should I do the same thing? Chivers: No, the selectman don't have specific emails.

Chivers: In July, we don't usually have a budget committee meeting. Does anybody have any objections to cancelling our July meeting? Not much goes on in the summer, and people are gone. Then we get into August & September and we start our budget season. So if nobody has any objections we will cancel.

Motion: To cancel July meeting (1st - Buckley, 2nd- Young). **Approved 7-0.**

Motion: To adjourn (1st – Cronk, 2nd – Young). **Approved 7-0.**

Attachment 1: NHBA Legal Opinion Merrimack 2012_08_13 (see below)

WADLEIGH, STARR & PETERS, P.L.L.C

WILLIAM C. TUCKER
EUGENE M. VAN LOAN III
JOHN E. FRIBERG, Sr.
JAMES C. WHEAT
RONALD J. LAJOIE
KATHLEEN N. SULLIVAN
JEFFREY H. KARLIN
DONALD J. PERRAULT
MARC R. SCHEER
GREGORY G. PETERS
ROBERT E. MURPHY, Jr.
DEAN B. EGGERT

Attorneys At Law
95 Market Street
Manchester, New Hampshire 03101
Telephone (603) 669-4140
Facsimile (603) 669-6018

WWW.WADLEIGHLAW.COM

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JENNIFER L. ST. HILAIRE
TODD J. HATHAWAY
STEPHEN J. JUDGE
STEPHEN L. BOYD
ALISON M. MINUTELLI
MICHAEL J. TIERNEY
PIERRE A. CHABOT
JOSEPH G. MATTSON

Direct Dial: (603) 206-7229
kpeahl@wadleighlaw.com

August 13, 2012

Marjorie Chiafery, Superintendent
Merrimack School District
School Administrative Unit #26
36 McElwain Street
Merrimack, NH 03054

Re: Opinion on Lobbying

Dear Marge:

You have requested an opinion in response to an email from a resident, Gary Krupp, questioning the legality of paying dues to the New Hampshire School Boards Association ("NHSBA").

RSA 15:5 (I) prohibits the use of any state funds "to lobby or attempt to influence legislation, participate in political activity, or contribute funds to any entity engaged in these activities." An exception allows a recipient of state funds to engage in these activities or to contribute funds to an entity engaged in such activities if the state funds "are physically and financially separate from any non-state funds that may be used for any of these purposes." RSA 15:5(II).

Dean Michener is employed by NHSBA and is a registered lobbyist. Thus, it would seem to be a foregone conclusion that NHSBA is an entity engaged in lobbying. While there may be an argument to the contrary, I think it is also safe to conclude that the payment of membership dues to NHSBA would be considered a contribution of funds within the meaning of RSA 15:5(I). Thus, the Merrimack School District cannot use state funds to pay NHSBA membership dues.

The prohibition in RSA 15:5 (I) only applies to state funds. It does not apply to local tax revenues or any other funds derived from sources other than the State. In other words, the Merrimack School Board can use non-state funds to pay the NHSBA membership dues. The

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Marjorie Chiafery, Superintendent

August 13, 2012

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requirement of RSA 15:5 (II), however, must be satisfied. This is not a mere accounting function; the non-state funds must be "physically" segregated from any state funds. Thus, assuming that the District's budget included NHSBA dues, the District could open a separate deposit account and deposit the amount needed to cover the dues from the tax revenue received from the Town of Merrimack. This should be done at the time the tax revenue is received from the town. In other words, if the tax revenue has already been deposited into an account along with state funds, it is too late to "physically segregate" the non-state funds. However, a portion of any future tax revenues can be deposited directly into this new account and may then be used to pay NHSBA dues. Note that unless a non-lapsing fund is properly created, any balance left in this account at the end of the fiscal year could not be spent. This will obviously mean additional work for your business office, opening and closing a separate account each year and making sure that local tax revenue is deposited directly into this account. However, this seems to us to be the easiest way to avoid a violation of RSA 15:5.

Finally, Mr. Krupp suggested that a separate warrant article would be required in order for taxpayers to approve the expenditure of NHSBA membership dues. In the absence of a statute requiring special approval of an expenditure, the payment of NHSBA dues is no different than any other expenditure and can be included in the general operating budget. I am not aware of any statute which would require separate voter approval for NHSBA dues. Certainly, nothing in RSA 15:5 requires such approval.

I hope I have fully addressed your questions. If you have further questions, please feel free to call.

Very truly yours,



Kathleen C. Peahl

KCP/tav