

## Meeting of the Candia Municipal Budget Committee

September 14, 2016

Town Offices, Candia, NH

**Members present:** Dana Buckley, Chair Allyn Chivers, Kevin Coughlin, School Board Rep. Rebecca Cronk, Susan Gill, Paul LeBlond, Bob Stout, Selectman's Rep. Susan Young.

**Members absent:** Jodi Hedstrom

*Chairman Chivers opened the meeting at 7:03pm*

Pledge of allegiance

### OLD BUSINESS

#### Approve minutes

#### **Corrections:**

Move Dana Buckley from 'Members present' to 'Members absent'

Page 1, change approval of minutes to 6-0

Page 3, change 'Crawley' to 'Crowley'.

Page 4, changed motion to adjourn to 8-0

**Motion:** To approve minutes from the 8/10/16 meeting (1<sup>st</sup> – LeBlond, 2<sup>nd</sup> – Stout). **Approved 7-0**

#### Answer Questions from Last Meeting

#### **Town:**

Chivers said there was a question about the tax-deeded properties. Young answered it is in the notes of the Selectman's minutes, but she asked about that. There's nothing pending before the board right now. Chivers asked if there were any plans to do anything in the future with the tax-deeded properties, later on in the year or early next year. Young said that the discussion was that the tax collector generally gives us a list of properties. Chivers said they give us a list of new ones that are delinquent for 'x' number of years. Young said she just wanted to be accurate. She didn't want to speak for the entire board. LeBlond (reading from Selectman's minutes) "Selectman Young thought Budget Committee Chair Chivers was referring to other pieces. Some of these pieces have already been taken through tax deed. Selectman Dann said one of the pieces was .3 acres and is this something they should look at. Chairman Chivers thought it would behoove this Board to have a subcommittee to look at these properties and come up

with a list of properties that would make sense to sell and put back in private ownership where we can start collecting tax revenue". LeBlond said he assumed that was the answer, that they were forming a subcommittee. Young said it was just an idea, but they hadn't discussed it yet.

Chivers said the other question was for the school, and their fees. Cronk: in our budget, under item 23.20, Executive Administrative Services. Within that 'Assessment SAU15' fund, that is where you'll find the NH School Administration Association fee. It's not broken out line by line because that's our portion that's paid to the SAU along with Auburn and Hooksett's portion. That includes salaries and everything else. We just pay a lump number. The NH School Principals Association is under item 24.10 under School Office Dues & Fees. That fee is \$1800/year and then he also has \$150 that we bill on that line for crisis prevention / intervention as well.

Chivers: How do they base the structure for their fees? Cronk: For the NH School Board Association, Karen and I have gone back & forth a couple times. She wasn't able to put her hands on an actual bill right now to give us the structure of the fee. She was supposed to give me a call back today to give me a breakdown but I haven't heard from her. So I'm still waiting on that piece. She was calling in directly to the NH School Board to get that for us.

Chivers: and the co-mingling of funds? Cronk: all of our funds are in one checking account. Everything comes in, everything goes out of one checking account.

Chivers: the other question was about the state & local income and you gave us that information. So there's two things. One is the federal - Becky emailed us on Aug 24<sup>th</sup> and that was the federal funds and then the federal funds with the school lunch program. The other one was Adequacy, State Education Tax, and Catastrophic Aid. Stout: are those amounts based off of enrollments? Cronk: I would have to get more information from Karen on that. I just asked her what the figures were. Is that something that you would like more information on? Stout: I think it would be nice to know, if it changed. How much the allowance is per student? Cronk: for state & federal? Stout: if it's something she can get easily. Cronk: I can see. Buckley: these are three different categories that are all given to the Candia school district from the state?

Young: May I ask one more question? I know we are without the last several copies of the year end plus we're without other copies of the school budget. I know we agreed as a group to get them on Friday before our meetings. I think we're still struggling – or the SAU is still struggling – to do that. The state has said that it needs to be done. It's not whether they can't get to it, or whether the school board has blessed it or not. It needs to be in for our Budget Meeting and that's according to RSA 32.16 section 2, and RSA 32.17. Those were the two RSA's that the legal bureau quoted. I know our first meeting they didn't have it because of a new computerized system, but I just find it unacceptable at this point not to have those. And it really is a rhetorical statement, it doesn't require a response. But I will tell you legally they need to be here. Stout: so if it's a timing issue of when they meet vs. when we meet, is it possible to push our meeting back a week so that we have the information? This is an ongoing timing issue. Cronk: I know that when Emily Roster – who was previously on the School Board – was here, she made it a point that the School Board needs to review those before they come to the Budget Committee. And that's our practice. In June, we wouldn't have had the June records. We don't meet in July. Our August meeting they didn't have it complete because the auditors had showed up. So it wasn't ready for August. We had our September meeting two weeks later and they still weren't completed at that point. So unfortunately that our timing, and the school. It's not anything that I can change. That's how it works. And I know they also just went to a new computer system. And in speaking with Karen, they're having issues getting some of the reports to print correctly. I know we're further than we have been before, but

this is pretty much how it's been since I've been on the Budget Committee. We're always getting them in arrears come September. Young: so the School Board doesn't have access to the year-end reports? Cronk: No, we have not got the year end reports yet. Because they just finished with the auditors. Young: I guess it's that department this is a state the department of revenue administration it is their understanding whether that it has happened that way since Emily. Chivers: this has been going on a long time, long before Emily. Young: a lot of things happen that aren't legally correct. Chivers: this has been a problem for a long time. Young: it might be a problem for some people. The only trouble is I think legally it's a problem. Just like posting minutes. Legally it could be a problem, let's put it that way. And I'm sure your attorney can probably help you out with that aspect. And from what I understand, the legal bureau said it does not need the School Board's blessing. The town doesn't need the Board of Selectman's blessing in order for the Budget Committee to get the reports. It doesn't need to be approved by anyone. So what can we do about that? You mentioned going a week later, but that's planning board night. Chivers: They want to look at it, but there's no requirement that they do. I don't see any point in changing our meetings. Young: I agree with that. Chivers: It's a done deal. The year is over. There are no decisions that have to be made. This is a closeout of last year. We've been asking for this for a long time. We're going to continue to ask for it. This really messes up our whole schedule. Because next month we already have a whole meeting planned and for the first time we're going to look at the end of year school reports. We should have had them tonight, and we don't. Cronk: I understand that. Young: do we need a formal request to the SAU or the School Board do make this happen? Chivers: how do the rest of you feel? Where do we go from here? Stout: I guess I feel that I like information. I've just been on the budget committee for one year. And I felt like last year we got the warrant articles the night before voting on them. And I voted against a couple and for a couple that I might have voted differently for if I'd had a chance to review the information a little bit more. I think that was challenging. I think that I'm a reflective person. I like to read things and look at things. So I would really appreciate it so I could make better informed decisions by getting things ahead of time. I think you're right, I think October's going to be kind of crunched. Yeah, we all work. It's not like I can sit home and do this. It's nice to have the weekends to review these things. LeBlond: We have no power to make it happen. Apparently it's been a chronic problem forever. So there's no urgency on their part to provide it evidently. There's always been a problem. Chivers: except that it's required by law. Buckley: if no past Budget Committees have made it an issue to say this needs to be corrected, that doesn't mean we can't either. Coughlin: I agree. What tools do we have other than the law? And how do you flex that muscle? I don't know. And do we want to do that? Young: I don't think you have to flex the muscle in my opinion. I think people just need to do what's legal and expected. LeBlond: there's no ramifications if you don't. Young: there could be. Again I don't think we need to go there. I'm hoping we don't need to go there. I think there's some concern ... I certainly know as far as the town, if they weren't doing it then I think there'd be a little bit of chatter around. I think everybody follows the law. I just think we're all adults here. We're talking about a committee who has another committee at the SAU also working for them. And we pay for that to happen. And it's not, and especially if Auburn decides to pull out, which is another whole issue, and it's just Hooksett and Candia supporting that SAU, I think we really need to make sure they're following the laws, these simple laws. There's other more complicated things that might arise later on. LeBlond: so I'm going to assume that Hooksett's Budget Committee's not getting these timely either. Chivers: I have no clue about Hooksett, and quite honestly I don't care about Hooksett. I have no idea if anyone's getting them. It depends on when their school board meets. If the Hooksett School Board just happens to meet the first Monday of the month, maybe they are getting it. Because Karen, she indicated the only reason we couldn't get the reports was because the school board hadn't seen it. Young: but we made that perfectly clear when we set up the Friday deadline back in June when we all agreed to do that. We made perfectly clear that the School Board doesn't have to bless these, just give us the information as it's known at that point in time. Cronk: Correct, and let me clarify that we did not receive any reports in our

August or September meetings either. So we therefore did not have anything to review to then pass on. Chivers: but I think the point is we want them even if you haven't reviewed them. Cronk: then that's something we'll have to discuss as a Board and with the SAU and review the law with our legal counsel. Because that's how it's been set up and at this point I'm not going to speculate on how that process is going to change or anything else. Chivers: why don't you go back, tell them our concerns, and we'll go from there. Now I'm just wondering, have you already encumbered funds from the 2015-2016 budget? Cronk: yes, they were encumbered during our leadership seminar in May. And we don't have the final write out of what they all were because we haven't got the end of year reports. Chivers: OK, did you have a contract for every one of those funds that you encumbered? Cronk: yes. Chivers: but you don't have a record of them? Cronk: I don't have the exact numbers. Chivers: Karen must have that? Cronk: Karen does. We have everything together. Chivers: so that was ready for us in May. Cronk: not all of it. Some of it was decided in June. Some of it was decided in May. So we'll have the exact numbers when we get our end of year. I asked specifically for the list of encumbered funds and dollar amounts. Chivers: OK. LeBlond: is this the first time it's gone into September? Chivers: Yes. Stout: you mentioned you had saved the summary pages from the school budget last year that we voted on. Is there a way you could send that out to us? So at least I could start reviewing that in preparation of doing the comparison for it. Chivers: OK, I'm not sure I can do it electronically. But I think I have a paper copy. You want the summary. Stout: just the department summaries, year-over-year comparison. Chivers: So the end of the year for 14-15. I'll look. I'm sure I have that. If not, I'll get it from Karen. I'll look for it. If I don't have it electronically I'll just copy it. So you're (Cronk) going to talk to them and come back to us? Cronk: Yes.

Chivers: we had some discussion last month about the contract with Manchester for High School. So I got it, and I made all of you a copy just so you'll have it. Buckley: is it the original contract? Or the capital cost settlement contract? Chivers: this is the capital cost settlement contract. Buckley: do you have a copy of the original contract between all three school districts from 2002? Chivers: no, I didn't include that. Buckley: can they get a copy of that to you and you can distribute to everyone? I'd like to see it. Cronk: you can link right on the School Board website. Chivers; this is the settlement agreement. I thought everybody should take a look at it. After reading this I had a question. As part of this agreement, we're allowed to send students to Pinkerton this year and next year. Except that Pinkerton said they won't take our students this year. Now some students have already enrolled in Pinkerton and the parents had planned to pay the tuition themselves. How many kids are in Pinkerton and their parents are paying themselves? 17? 13? Cronk: there's probably more like 20. Chivers: OK, let's say 20. Is Candia now going to pick up the cost for those 20 students? Cronk: Yes. Chivers: OK that was my question. So the students that enrolled in Central that are there now as freshman, they're going to stay there. Cronk: they have the option to try to transfer to Pinkerton. And if they're able to transfer to Pinkerton, then we will cover that cost. Pinkerton would not allow us to send all of our freshman there because we were not able to coordinate and do an early interim agreement with them because of the timing of the settlement. As you know, we've been working on this for years now and it was dragging feet between amendments between the two boards. So because of that length of time that took place, Pinkerton said we can't do it. Chivers: But then next year, all of our students will be able to go to Pinkerton, if they wish. Cronk: Yes, because we are trying to work on an interim early entrance with them. Chivers: and then, if you look at page 3, we are initially going to pay Manchester \$322k, and then it specifies that we're going to continue to pay them through the 2020-2021 school year. Buckley: So that \$322,386.50 that, it doesn't specify, but it seems logical that that is to cover the capital costs for the last three years? Cronk: And that's where that fund is coming from. Buckley: why didn't they write that as an explanatory note into the contract? Chivers: now Karen said that that account had about \$500k in it? Cronk: yes. Chivers: So we're going to pay the \$322k, and the remainder will be returned. And the 16-17 capital costs are already budgeted in there? And I'm sure they'll be in the 17-18 budget also. Young: does it

break down legally how much money was spent on this one item? Chivers: you mean on the legal fees? We haven't received that information. Cronk: our legal fees aren't broken out. I can request and see if they can break it out, but our legal fees aren't broken out. In our budget, the line is just 'Legal fees'. So I can ask. Buckley: are you asking just for this year? Young: I'm asking what it cost us legally to get this settlement. If you can get that information, that would be helpful. Buckley: so in 2013, Hooksett & Auburn decided they were going to leave. That made some large capital cost payments. The Candia School Board thought that that absolved them of having to make any and all future capital cost payments. That's what precipitated the legal back and forth between the school districts. Cronk: Yes. Buckley: and then in the end, we end up paying all the capital costs anyway. Cronk: we're settling with them on this. Buckley: Are we paying less capital costs? Cronk: Yes. Buckley: Is it a lot less? Cronk: almost \$300k. Chivers: I heard that number thrown around. Where is the \$300k that we're not paying coming from. We've been paying around \$100k/year in capital costs and we're continuing to pay the \$100k/year. Cronk: if you total our all of our capital costs what we should have paid through when we weren't paying and now all of what we would have been required to pay, we actually still are less than the total amount. The total amount was about \$1.2M. Buckley: including legal fees? Cronk: legal fees are separate from this. Buckley: if we had agreed from the outset, we wouldn't have incurred the legal fees. We would have just paid the capital costs. Cronk: I can't speak for the prior board. I don't think that the way that the situation was at the time and what the review of the contract by our legal team, that we would have done it differently. I can't speak for that Board, but our legal counsel told us that no, you guys don't need to pay that because based on what Hooksett has paid and what Auburn has paid and the verbiage in this contract. You shouldn't have to pay anything further. Whereas Manchester was saying we still had to pay. So I don't think we would have changed the course. Buckley: in the original contract, does it actually give dollar amounts? Cronk: it does not give dollar amounts. Young: it's easy to figure out if you do the math. So in order to break the contract that we had with Manchester – and this is my opinion – we're saving \$300k in order to break the contract that we had originally with Manchester but we don't know what legal fees are. They could be over \$300k. Buckley: So I guess that's my question. You're asking whether what we paid in legal fees offset what we saved. Young: That's probably a general question a lot of people have. Buckley: What is the best way to find out what we would have paid in capital costs per the original contract? LeBlond: But knowing that, what does that do? It gives us the answer, but at the end of the day – Young: its information. Cronk: One other thing that I'd like to point out about this agreement that I don't want to have glossed over is on page 4, under section 8, by having this agreement it now from the date that it was signed, it means that Manchester can't come back to us for anything. So the year that we approved all of our students to go elsewhere, Manchester can't come back and sue us to obtain tuition fees or capital costs for that. So I understand people's reserve because of the dollars that they're seeing, but we're also looking at it that we were able to clean the slate, and move forward. Chivers: any other questions? I just thought it would be helpful if everyone could see what the agreement was all about. Because this is going to show up in our budget in 2020, and we're going to say 'how come we're paying money to Manchester?? We don't go there anymore!'

Chivers: The town report. Any questions on the town report? Cronk: is that water supply line from the fire that was out on Chester Turnpike? Page 3? Under 'Fire/Forestry', we budgeted \$1, and have \$1,896. Young: I will find out. Chivers: how about if we ask the first chief, who's right here. ! Dean Young (fire chief): I'm not sure why that's there. I haven't taken any money out of that water supply line. I haven't put that down on any of my bills as coming out of that. That must be a mistake. Chivers: OK, we'll find out. Young: the reason we have them put that \$1 is that we have a capital reserve fund for water supply that had a lot of money in it, and we've had to buy hose and we bought a tank, anything to do with

whether we fix cisterns or put in dry hydrants, we take it out of that capital reserve. So we don't need that. Someday we might need to put that back, that's why we left the line.

Stout: On page 4, group health insurance. You're way under budget. Young: we had a full-time employee leave and the person that we have replacing that person is part time. That might be it, but let me just make sure. Chivers: Actually I talked to Donna about that. When Donna does the health insurance line, she includes the employee and the employer contributions. Which obviously the employer doesn't have to pay. And this year because we were losing our full time employee, and didn't know what the insurance status would be of the person who was replacing that person, she put in \$20k to cover that person. Then it turns out the person is part time and doesn't get health insurance.

Stout: 'Total Solid Waste', the Facility Operating and Maintenance is way under budget. Is that due to repairs on the old baler? Or do you have any idea why that's so far under? Page 6. Chivers: 'Facility O&M and Electricity'? Stout: Yes. Young: I will find out. Stout: Then the \$4k under 'Special Projects', wasn't that to repair that back wall? Has that just not happened yet? Chivers: It hasn't happened yet. Young: OK, for the Facility, O&M & Electricity, it is the office repair. So you will find once it does get repaired, the rest of that – or some of that – will be spent. It won't be so underspent. Stout: I thought we had put that repair down under Special Projects. I thought that was that \$4k we put in. Young: it's more than \$4k, I do know that. I will find out. So you think that the office repair – Stout: I thought that's what we put the \$4k in the Special Fund for. Coughlin: the Special Projects 730-03. Stout: Yes. Young: So you want to know why the Office Repair isn't listed under 730-03. Chivers: and what is the \$4k for then? Young: and you want me to also ask about the other line? Stout: Yes, it's hard to believe we're saving that much money. Although they love that baler. Young; yes, the improvements have been very effective so far.

Chivers: Back to the insurance line, on the Worker's Compensation. I asked Donna about that and she said we got a \$17k refund on Worker's Comp, and that's why we've only spent \$4k. Young: doesn't it go according to injury or illness? Chivers: Quite frankly, I don't understand Worker's Comp is for our experience this year, and then that affects our costs next year. And then maybe because we didn't have an injury we got the \$17k back? I don't really understand how the Worker's Comp works like that. I know it's based on our experience and our injury rate. So anyway, I asked her why we've only spent \$4k. And she said because we got a \$17k refund. But I don't understand how that projects. Is there a standard rate they project each year? And then if we don't have an injuries they give us a refund? I don't know. Young: I don't know, and I will find that out. But I think I know at least with other businesses is what you do is that you pay a rate, and then at the end of that year you submit your financial information, and then they could either refund or increase your payments the following year due to that. I don't know if this works the same way. But I can certainly find out. Chivers: It's all good, I just didn't quite understand it.

Cronk: I have a question on the Transfer Station Bond, page 5. Do we still have that year to year? Or is that it? Are we done? Young: last year was two more years, so this year it's one more year. Cronk: so we have one more year? Young: I believe, but I will confirm.

Coughlin: On page 9, there is the Mosquito Control Program. Is that still underway? So are they going to expend that? Are they still spraying? Young: actually we talked about that Monday night, and they haven't sprayed at all due the lack of mosquitos. They have continued their testing in all the different areas, but they haven't had to spray at all. They haven't picked up any diseases. They will continue to test as long as they do it, but we've been lucky in that they haven't had to spray so far. Cronk: Do you know if they had to use any of the bacterial or whatever that they put in the water systems? Young: I don't know, I can find out. What's it called? Cronk: I just know it was the Dragon Mosquito program. It

was a two part thing where they would test the water, and if they found that it had, they would then put that - Young: I don't think they've used anything, but I will find out. Buckley: Have we had any issues, I remember one of the things some of the audience members said last year was that they had filled out the form to say please do not come on my property, but they were. Has that occurred at all this year? Young: I don't think so. I don't think they've had to treat. They've tested at several sites throughout the community. I believe those are fixed sites. And they haven't found anything. But I'll double check, just to make sure.

Chivers: I gave everybody the schedule. The only thing I don't know for sure is the joint meeting with the School Board and the SAU. Cronk: Yes, both dates work and the Media Center is reserved. Chivers: Then this schedule is OK? Cronk: Yes, it is. Chivers: Now the only thing I'm a little bit uncomfortable with is Dec 15<sup>th</sup>, the public hearing on the school budget – the only place I could find was the reference room, which is tiny. So depending on whether there's issues with the school budget, I may ask if we could move that to the Media Center. Obviously you have to check. Cronk: Yes, I would need to know because I need to get that in. I had to complete a facility form to book our 7<sup>th</sup>. Chivers: Last year we had it in the library reference room and there were maybe 5 people there, and it was fine. One year we had to have it in the cafeteria and there were 100 people there. It all depends on what the Budget looks like, and what we recommend. Do you think we should just reserve it, just in case? Cronk: why don't I just book it? Chivers: yes, please.

Coughlin: when are the warrant articles due to us? Chivers: Jan 10<sup>th</sup> – petitioned warrant articles are due. Those are the ones that the people get 25 signatures... they aren't due until the 10<sup>th</sup>. But the town will have their warrant articles due before that day. Young: I'm not sure, let me check. You want to know when the town will have their warrant articles ready? And the school? Cronk: We will have ours done in our December meeting, most likely. Coughlin: I think last year we got them the day before from the school? Chivers: the first time we saw them was that day. Young: From the school. But from the town? Chivers: The town we got early. Coughlin: is there a set schedule that they're due by? Chivers: Yes, but Andria didn't have the dates. She just said sometime in December. She didn't have the exact dates when I made this up. So if you can get us the date, I will add it. Young: we may be discussing this on Saturday because we do have our full town budget hearing Saturday morning. Chivers: September 17<sup>th</sup> @ 8:30am

Chivers: so next month we'll be very busy. We're going to talk about the town budget, and we'll also have the end of year reports from the school. Cronk: now will we get the town budget ahead of time to review? Chivers: yes, Donna said it will be ready before the 12<sup>th</sup>. Young: can I clarify, we'll get the end of the year, and we'll also get what they've spent in July, August & September? Chivers: yes, that's the plan. We'll have the up-to-date reports for this year, and the end of year reports for last year.

**Motion:** To adjourn (1<sup>st</sup> – Coughlin, 2<sup>nd</sup> – Buckley). **Approved 8-0.**