

**Approved  
Candia Budget Committee  
Meeting Minutes  
December 14, 2011**

**Members Present:** Lynn Chivers, Carla Penfield, Todd Allen, Kim Byrd, Judith Szot, Matt Broadhead, Carleton Robie, Selectmen's Representative, Ingrid Byrd, School Representative, and Cheryl Eastman, Secretary. Christine Watson arrived at 7:09.

The meeting was called to order at 7:02. Lynn led the Pledge of Allegiance.

**Approve minutes of November 17, 2011 meeting**

Kim Byrd recommended the following corrections: spelling on Lynn Chivers name on page 2, under Full Time Kindergarten, third line down; on page 3, under Transportation, change "schools" in the second line to "bus routes" and remove the word "purchased". Matt Broadhead mentioned that there should be a correction of the misinformation regarding Kindergarten not being mandatory in NH. Lynn Chivers stated that it will be addressed and corrected in the minutes of this meeting. Carla Penfield made a motion to accept the minutes as amended. Seconded by Kim Byrd. All voted in favor. Motion carried.

**Approve minutes of November 21, 2011 meeting**

Ingrid Byrd asked to add under Full Time Kindergarten, nine lines from the bottom of the page, the word Kindergarten (...that she taught Kindergarten for 12...). Kim Byrd added "Kindergarten" on page 2, end of the top paragraph (...the projected Kindergarten enrollment is...). Kim Byrd also suggested on page 3, under Additional Buses, moving the definition of AYP up in the paragraph to the first place it is referenced for better clarity. Lynn Chivers requested that in the first paragraph of the minutes, the first line should also include the Moore School Administration along with the SAU and School Board. Kim Byrd made a motion to accept the minutes as amended. Seconded by Todd Allen. All voted in favor, except Carleton Robie who was not present at the meeting on the 21<sup>st</sup>. Motion carried.

**Answer questions from last meeting**

Lynn Chivers reported that there were no questions from the last meeting. Any questions from the prior meeting were answered by the school officials at the last meeting.

**Finalize school budget recommendation**

Lynn Chivers announced that the Committee has received 25 letters from citizens, in two different formats, in support of the school budget. She did not make copies for each individual member's folders, but will pass them around for everyone to look at. Copies can be made if desired. Lynn Chivers read the short format of the letters into the record as follows:

"Dear Candia Budget Committee, This letter is in response to the joint Candia Budget Committee/School Board meeting held on Monday, November 21, 2011. The School Board provided an excellent budget that offers a top-notch education that will benefit the entire community of Candia. I request that the Budget Committee accept the budget proposed by the School Board because it is the right direction for our community. Sincerely....

Lynn Chivers read the long format as follows:

“Dear Candia Budget Committee, This letter is in response to the joint Candia Budget Committee/School Board meeting held on Monday, November 21, 2011. The School Board provided an excellent budget that offers a top-notch education that will benefit the entire community of Candia. The items that I would like to make sure stay in the budget are: Full day Kindergarten, 2 new buses (achieves bussing equality for all students), CYAA rentals, and school supplies. I request that the Budget Committee accept the budget proposed by the School Board because it is the right direction for our community. Sincerely....”

A citizen in the audience added another letter to make a total of 26 submitted. Lynn Chivers started the conversation on the school budget by saying that in the past the Committee has spent a lot of time going through the budget line by line, but she does not want to do that this year. She feels there are some big issues that need to be discussed and doesn't want to go line by line. Kim Byrd feels that the Committee is not here to rubber stamp what the School Board proposes. We are here to work for the taxpayers that elected us. Carla Penfield stated that she appreciated the meeting with the School Board and school administration. She has not changed her mind about level funding last year's budget. She does not think that this is an appropriate time to be increasing the tax burden in the community. If the community wants full time Kindergarten, then the community should vote on full time Kindergarten. It is best served as a warrant article and not in the operating budget. She does not feel the two buses are warranted. She listened to the discussion at the last meeting about the buses, but still does not feel that this is the appropriate time to be increasing taxes. Lynn Chivers stated that when she was looking at the budget, she took out the money for the boiler, the textbooks fund, the technology fund, and the capital projects fund. Lynn took those out because we are only talking about the operating budget, not the warrant articles. That makes the '11-'12 approved budget \$7,533,897, which is exactly what we voted on last year and got approved. So, when Lynn Chivers talks about level funding the budget, she is talking about the \$7,533,897 amount, because the warrant articles are separate. Carla Penfield agreed with this idea. Lynn is assuming that a new boiler will be put in this year and will cost about \$60,000 more than the amount quoted last year. In this year's budget, even if we level fund it, we will still spend \$200,000 to \$300,000 on the new boiler. Judith Szot said that over a two year period, they are asking for almost a million dollars more than they spent. \$7,030,000 was spent and now they are asking for \$7,959,613. Todd feels that as a Board, they are having a problem with the numbers because if the school returned \$500,000 from the '10-'11 budget and the '11-'12 budget is already \$280,000 on top of that, and then this one is another \$200,000. He feels that it is not that we don't agree with what the School Board wants or does not want, it is the fact that we had a budgeting variance as much as \$500,000 in one year, the following budget was another \$300,000 on top of that. This budget is another \$200,000 on top of that. The proposed increases are a one-time increase for retiring teacher severance expense and a continuing expense with a full time Kindergarten teacher. With the increases and the surplus, you could logically say you could keep it level funded and you would be alright. Judith Szot questioned if Carla Penfield was talking about level funding what was spent, or what was appropriated. Carla Penfield answered appropriated. Carla Penfield feels the Committee should go through their list and mention the items they are not in favor of. Matt Broadhead feels the number is a bit skewed. He thinks if level funding from the '11-'12 budget, there are increases in federally mandated programs, such as a student that requires a full time nurse. These things will squeeze the budget if you level fund and will reduce other resources to the school. Matt Broadhead would like to go from the level funded amount, and then add and subtract off of that. Christine Watson asked a point of order question regarding how the committee works. Lynn told her that the committee needs to come up with a specific number, and not that we approve or disapprove of the school's number. The school board will make the decisions on how to use that amount because it is a bottom line budget. The committee's number is X and we can recommend how they spend it, but it is up to them. Todd Allen added that at

the Deliberative Session, the town can increase or decrease the Committee's proposed number as they want. Resident Sharon DeWitt stated that she was disappointed no one on the committee wanted to see who signed the letters that were submitted. Also, she commented that Kim Byrd had stated that the Committee is here to represent the tax payers that elected them. Sharon wanted to let the Committee know that there were residents that wrote letters, and some are in attendance tonight, and we are all tax payers too, so you represent us, too. Kim Byrd asked if she was speaking as a school board member. Sharon replied she was speaking as a parent, resident, and taxpayer. Judith Szot stated that Sharon makes a false assumption just because she didn't see people read the letters or no one made any overt statements that we disagree with you. That is a wrong assumption to make. She stated that the Committee doesn't represent any particular group, they represent all the taxpayers. They tell the town officials the same thing when they meet with them. Sharon DeWitt feels that some board members don't get her point. Christine Watson added that just because nothing is said about something in the meeting that doesn't mean that things aren't said behind closed doors. Sometimes it is not appropriate to confront people in front of a forum. Matt Broadhead feels that we all agree that the purpose of the Budget Committee is not to make policy. That is the purpose of the Selectmen and School Board. The Budget Committee is just a check and balance. The blanket statement that we represent the taxpayers can be misleading because so do the Selectmen and so do the School Board. He feels that going line by line through the budget would be in our best interest, but understands why not for efficiency, but we are all separate people even though we act as a body. We shouldn't all be lumped together in one categorical statement. Carla Penfield feels the School Board and people in the audience aren't aware of the extent of the work that the committee does. They have a heavy hand with their recommendations on the town budget as well. The town doesn't get everything they want. We look at the revenue for the community. Revenues have been down over the past years. Looking at the school budget is only part of what the committee does. It is part of a whole big thing. We try to plan in case there is a catastrophe. Carla Penfield said we also look at the number of empty properties and foreclosures we have in Candia right now. Resident Jodi Hedstrom stated that she feels the committee goes too minutely into the budget, such as what type of desks to get. This infuriates her because the Budget Committee has no right to go to the School Board and tell them they are not making the right choices. If you feel it is not right, join the administration and try to change it. She feels the Budget Committee is overstepping their bounds. She feels it is like going and trying to tell Mr. Lewis what kind of salt to use. Those are the decisions we hire professionals to make, and to try to make them for them is infuriating. She feels the Committee should either yeah or nay it. She reminded the board that two years ago they rallied the town and if they feel that there is something that should be back in the budget, they will do it again. Nicole LaFlamme, School Board member, had a list of foreclosures for Rockingham County that covers the years 2006 through 2010 for all towns. They show a very low foreclosure rate in Candia compared to other towns. She has read minutes of the Budget Committee meetings, and she hasn't seen too much discussion of revenues. She stated there were 7 foreclosures in Candia this year compared to 99 in Derry. She feels if they are going to talk about foreclosure rates, they should have accurate information. Judith Szot asked how many total houses there are in Derry opposed to how many in Candia. Nicole LaFlamme thought that would be a great thing to look at. Judith stated that you can't compare the two towns because Derry has probably 10 times the number of houses that Candia has. Ingrid Byrd remarked that the number of foreclosures in Candia has increased over the last couple years. Lynn Chivers questioned if they level fund the budget, can they do it without decreasing any services that we currently have. As far as the Special Education expense, we can only go by what the school and administration expects they will need, and that can change throughout the year. Lynn had some figures to discuss. She looked at taking last year's operating budget of \$7,533,377; the proposed increases are a full time Kindergarten teacher for \$68,000, extra 20% for reading specialist (\$12,870), an increase in instructional supplies of \$13,828, furniture of \$6,923, and high school tuition that is over-budgeted.

Over the last 10 years, we have over-budgeted an average of 17 high school students each year. Lynn felt that if the committee used 13 students, that would be reasonable and would equal \$130,000. There were also increases in media center materials of \$4,724 and busses of \$97,500. This all comes to a total of \$333,845. The SAU recommended budget is \$7,895,461, which includes the building improvement line of \$25,000 for moving the server and the uranium in the water. Lynn took the SAU budget figure and took out the \$25,546 that the School Board removed which brings the SAU budget to \$7,869,915. The amount of \$333,845 was subtracted out for the additional increases. This leaves a budget of \$7,536,070, which is \$3,000 more than a level funded budget. This calculation tells her that a level funded budget would provide for the insurance increases, the contractual increases, the \$178,000 for severance pay, the Special Education costs, and all those additional things except it takes out the full time Kindergarten, the reading specialist, and the other increases she listed. She feels this budget is doable and doesn't provide any of the extras that the School Board has requested. Todd Allen asked if it was going to give the school leeway in case the actuals do not meet the budget. Lynn said she is assuming that there will be money left over in this year's budget, so if we level fund it, the leeway is still in there. We know there is probably \$170,000 or more extra in the high school tuition line. School Board Member Deb Lablond stated that there is a new policy that students will no longer be able to attend any other public schools besides Manchester, so the only kids not going to Manchester will be attending a private school. She cautioned to be careful because the enrollment numbers may actually go up. Kids that are already attending the other schools are grandfathered. This would be for the outgoing 8<sup>th</sup> graders only and moving forward. Ingrid Byrd pointed out that right now we have 9 students who go to other public schools. Matt Broadhead wanted to add back in the instruction supplies due to resupplying the stock because the school has exhausted their supplies with the new policy put in place last year. He also clarified that under state law, the school has to offer kindergarten for at least 2 ½ hours a day of instructional time. He feels that it is reasonable to leave it out of the operating budget – it should be a warrant article for the people to vote on. If there is really that much interest in the community, then the town should vote on it. He wants to just add the \$13,000 of additional supplies back into the budget. Sharon DeWitt stated that the School Board gave back the \$500,000 this year, which is great. She is concerned because if they say they can give back money, then the next year their budget is cut. So, if the high school line is over-budgeted, the committee says they can use some of the money for that. But then the next year, if they don't give any of it back, that money that was over-budget, they spend it on something else. She feels it is a damned if you do and damned if you don't situation. We say, use the fluff, but then when they don't give money back, you cut the budget even more. Carleton Robie stated that we are trying to get onto a budget system that is workable on both sides. That's what the town has done, and what the committee is trying to do with the school. No one said if you don't spend it, you won't get it again. This budget we are discussing is all of what you had, plus some. The budget is level funded to what you had, and you didn't spend \$500,000. There is plenty of money to fund the budget at the amount we are discussing and to account for the increases you are asking for, through what you didn't spend last year. Carla made a motion to approach the budget number using Lynn's methodology of starting from the bottom and taking away items – rather than starting with last year and adding in the mandated requirements. Seconded by Todd Allen. All in favor. Motion carried. Carla Penfield made a motion to propose a budget of \$7,549,000 less 10%, which would be \$6,862,727. Seconded by Todd Allen for discussion. Carla Penfield explained that when we go to the Deliberative Session, it is very difficult to get townspeople to turn out. Whatever number the Budget Committee comes up with can be raised by the Deliberative Session by a maximum of 10%. So, if we want a number of \$7,549,000, and the committee can recommend that number, but at the Deliberative Session it can be, and probably will be, increased. Resident Catherine Sangillo stated she understood why they were proposing a 10% reduction in the overall budget, but she doesn't agree with it. Todd Allen understands the intent, but feels it is a little disingenuous and doesn't

give the town the opportunity to say what their will is. It forces the town into solely accepting the Budget Committee's recommendation. Lynn Chivers corrected that there is still a default budget amount as another option. It will be larger than the SAU recommended budget. Lynn Chivers guesses it should be someplace around \$8,000,000. So, on the ballot, the people will have the option of voting for whatever the number that the Deliberative Session comes up with or the default budget. There is a choice. Christine Watson felt that it does tie the hands of the committee and is underhanded. Carla Penfield said that it is not underhanded. The State of NH has rules that are checks and balances to prevent a run-away budget. She feels a one million dollar increase is excessive. She feels that doing this is part of the process and it can be an effective tool to use like this. Matt Broadhead feels the idea is well thought out, but he doesn't agree. He wants to look at what numbers can be justified. He wants to use the \$7,549,000 number and he understands it could be increased, but he would not be in favor of that. He wants whatever figure the Committee comes up with to remain untouched. Judith Szot commented that with the proposed \$1,000,000 increase, there are actually fewer students in the school as well. Sharon DeWitt stated that the comment that there isn't good attendance at the Deliberative Session is just part of the SB2 game. That's the way it works. Carla stated that part of what prompted her to take this approach is the attitude of the School Board at the last meeting. They made it clear they have no intention of flexing or were not particularly interested in what the Budget Committee had to say. Carla Penfield stated that some in the audience have made it very clear that they would fight for the budget, and they should fight for what they believe. But, so should the committee members. She understands that usually at the Deliberative Session there are pro-school people present. Carla stated she felt pushed with a lack of cooperation from the other side. Deb Lablond stated that she has not been uncooperative. She has been listening and is not inflexible, but a decrease of 10% is completely irresponsible. If that number passes, teachers will lose jobs and if a Special Ed student comes in there will not be enough surplus. Carla Penfield asked if the School Board would be willing to reduce their requested amount. Deb Lablond answered that any decision like that would have to be made as a Board, not at this meeting tonight. Carla Penfield called for a vote on the amount of \$6,862,700. Vote was 4 in favor (Kim Byrd, Carla Penfield, Judith Szot, and Lynn Chivers) and 5 opposed (Carleton Robie, Ingrid Byrd, Christine Watson, Todd Allen, and Matt Broadhead). Motion failed. Todd Allen made a motion to approve \$7,549,000. Seconded by Carleton Robie for discussion. Carleton felt there is enough in that number to cover supplies. Matt Broadhead still would like to increase the instructional supplies line. Todd Allen felt that the Committee shouldn't worry too much over \$13,000 in a \$7.5 million budget. Christine Watson called for a vote. Vote was 4 in favor (Matt Broadhead, Todd Allen, Christine Watson, and Ingrid Byrd) and 5 opposed (Carleton Robie, Judith Szot, Lynn Chivers, Kim Byrd, and Carla Penfield). Motion failed. Christine Watson made a motion to use \$7,536,070. Seconded by Carleton Robie. Vote was 6 in favor and 3 opposed (Judith Szot, Lynn Chivers, and Carla Penfield). Motion carried.

The number that the Budget Committee will go into the public hearing with is \$7,536,070.

School Board member Kim Royer asked what happens at the public hearing. Lynn explained that the Committee will take public input at the hearing. At the close of the hearing, the Committee will decide if they want to stay with that number or change it based on the public input. The hearing is scheduled for January 12, 2012 at the school gym at 7:00 p.m. The town budget public hearing will be on the 17<sup>th</sup> at the Smyth Library.

Todd Allen left the meeting.

#### **Review town expense and revenue reports**

Lynn Chivers stated that she is thrilled with the bottom lines on the town expense reports. Judith Szot agreed, adding that the town has really listened to the Budget Committee's recommendations. Carleton Robie asked the Committee members to read the minutes of the Board of Selectmen meeting on November 28 when they get a chance. He added they are very interesting. Carleton Robie went on to say that the Board of Selectmen at their next meeting on Monday, December 19 will be discussing encumbering some funds before the end of the year. They may encumber the funds to pay for a new cruiser, in combination with the funds encumbered last year for half that purchase. If that happens, the cruiser line in the 2012 budget will be removed. The resulting town budget will be a decrease of .3%. Kim Byrd felt that since the bottom line of the revenue report showed a shortfall compared to last year, should they be talking about buying a cruiser? Carleton Robie said that some revenues have not come in yet, and the report always looks like that shortly before the end of the year. Lynn Chivers stated that the Rooms and Meals Tax revenue had not been received yet, according to the report. Kim Byrd asked about the Planning Board revenue showing zero in 2010, but roughly \$31,000 in 2011. It was reported that the Planning Board revenue line is for the excess left over in a developers account after their proposed project is completed. Any excess engineering fees are returned to the developer, but any excess fees for the town are then turned over to the general fund. In 2010, this transfer was not done, so the 2011 total of approximately \$31,000 is for both years time.

**Review school reports**

Ingrid Byrd said that she found the enrollment reports for the Moore School to be a little bit confusing. The numbers for the Kindergarten are only ½ student numbers, yet appear to be in the total as full time students. Ingrid Byrd will confirm those numbers with Karen Lessard at the SAU.

Minutes respectfully submitted by,  
Cheryl Eastman