

Unapproved
Candia Budget Committee
Public Hearing Minutes
January 12, 2012

Members Present: Lynn Chivers, Carla Penfield, Todd Allen, Kim Byrd, Judith Szot, Carleton Robie, Selectmen's Representative, Ingrid Byrd, School Representative, and Cheryl Eastman, Secretary. Christine Watson arrived at 7:10.

Members Absent:
Matt Broadhead

The meeting was called to order at 7:00. Lynn led the Pledge of Allegiance.

Lynn Chivers outlined the procedure for the public hearing. At the close of the public hearing, the Budget Committee will have a meeting. It is a public meeting and the audience is invited to stay, but there will be no more public input at that time.

Resident Sharon Dewitt asked for a run-down of how the Budget Committee got to the final budget number they have. Lynn Chivers answered that they started with the operating budget. We did not include any warrant articles. We took out the cost for the additional Kindergarten teacher of \$68,000, the increase in the reading specialist of \$12,870, the increase in the instructional supplies of \$13,828, the increase in the furniture replacement of \$6,923, an amount in the high school tuition line equal to 13 students, and the increases in the media center materials of \$4,724. The additional buses (\$97,000) were not in the original SAU budget, but the Committee took them out again by mistake. That has just been brought to the attention of the Committee tonight. The Committee will be revisiting that issue at the close of the public hearing. The total that was subtracted was \$333,845. Resident Emily Roster asked about the reduction in the replacement furniture line. She asked if the Committee was aware that there is a furniture replacement plan in place and if they had visited the classroom to see the condition of the furniture. Also, she would like the amount that was removed for the media center to be explained. Lynn Chivers stated that the amount removed was the amount of the increase. Sharon Dewitt stated that the Committee had removed \$97,000 for the buses, but the bus company is charging an increase for buses of \$7,550. The total increase for the additional buses is \$90,000. So, the proposed budget of the Committee would put the school down by \$7,550 that they will be required to pay anyway. Resident Debbie Lussier asked about the high school tuition and why they removed 13 students. Lynn Chivers stated that they did not reduce any students, just the equivalent dollar amount of \$10,000 per student times 13 students. School Board member Deb Lablond stated that the enrollment numbers that the Committee is quoting is incorrect. She stated that over the past five years there have not been an average of 17 students over-budgeted for each year. One year they ended up with 11 more high school students than they had budgeted for. She feels that cutting 13 students may not leave enough money in the budget. She requested that the Committee reconsider that line item. Resident Rob Jones asked the Committee to fully answer Emily's question about visiting the classroom or if they researched their decision to cut the media center line. Lynn Chivers stated she did not know if anyone visited the classroom. She explained that the School Board gave them a budget with detailed explanations of what the increases were for. Deb Lablond asked why the Committee subtracted from the SAU budget, which was the lesser budget between the SAU and the School Board numbers. Lynn

answered that they started from the lowest amount and worked from there. She stated that some items were included in the SAU budget and some other items were included in the School Board budget. Sharon Dewitt asked if she could assume the \$90,000 for the additional buses will be added back in? She asked if the Budget Committee intends to not recommend the buses? Lynn Chivers said that the day is not over yet. The Committee will be looking at the numbers again after the public hearing. School Board member Kim Royer asked why the Budget Committee decided to cut the Kindergarten teacher and the increase in the reading specialist. Lynn responded that the Committee's intent was to not cut services that are already there. The budget last year was a 6% increase over the prior year, and then this is 6% again. We felt that \$900,000 increase over two years is too much. Once that \$900,000 is spend, that becomes the basis for future year's budgets. The Committee felt that a full time Kindergarten was not an essential service. The increase in the reading specialist is something they don't have now. Kim Royer asked if they had looked at the benefits of those two items for the whole school and the students. She explained that right now any students in the 6, 7, and 8 grades cannot see the reading specialist. The increase to 100% will allow them to have access to that. Resident Eric Shifflett asked if the Committee had looked at the rate of inflation. Lynn Chivers stated that they had absolutely looked at inflation. Eric Shifflett asked what the large amount of the surplus that was turned back to the town last year was attributed to. Superintendent Dr. Littlefield stated it was mostly a result of the high school tuition and the health insurance. Eric Shifflett stated that in case of unforeseen circumstances, there should be some leeway. If there is a surplus, it will be returned to the town. He asked "why not go with what three experts say?". Lynn Chivers stated that sometimes some of the surplus will get spent. There are always other factors that could have an effect. There could be a special education event that was unforeseen. Eric Shifflett stated that in trying to attract people to Candia, strong schools are one of the things people look at. Kristen Davis stated that there can be huge benefits for the kids for full time kindergarten. She is willing to pay extra for it – and for the reading specialist as well. She asked when the teacher's contracts are due to be renegotiated. Dr. Littlefield stated that they will begin to negotiate next year. Kristen Davis feels that teacher salaries are too low and she is willing to pay more to pay the teachers. She feels Candia is not a poor community. It is full of professional people who expect a quality school. Resident Barb Wiscowski said that if full time kindergarten prevents special help later on, if we don't spend it on kindergarten teachers, we will spend more later on for special help. It is a small addition and cheaper than more help later on. Selectmen Amanda Soares stated that the town used funds to keep the tax rate down, but the school budget increases, even while enrollment is down. She said that there are a lot of seniors in town that are looking for assistance to not lose their house. Amanda feels that starting kids young in education is good, but the Budget Committee has to look at the whole picture. Eric Shifflett asked what the effect on the tax rate will be if the whole budget passes. The Committee did not have that information. Deb Lablond stated that over the last several years, the school has returned funds to the town. Resident Paul Labond asked what happens if we have 8 extra kids in high school? Lynn Chivers answered that normally funds get moved around – or the school could ask to hold a special town meeting. Paul Labond stated that the school has to pay for however many kids go to the high school, and if it is not used, the money is returned to the town. He questioned what the detriment was to having the funds there. Lynn Chivers corrected that it is not always returned. The School Board could spend it on any other items that they feel is an appropriate expense. Lynn stated that the issue is that many taxpayers don't want to over-budget because they don't want to give the money and "hope" they get it back. Resident Pat Foster asked that since the budget is a 6% increase, what is the % increase in the teachers salaries. Dr. Littlefield stated that every teacher gets an additional \$900. Pat Foster asked what makes up the % in the salaries? Dr. Littlefield didn't have that information. Rob Jones stated that if the high school tuition line is under-funded, the school will have to pull funds from something else that the Committee felt was a good expense to cover it. Resident Scott Baker asked the Committee to add the high school tuition back in. Amanda Soares asked when does it get to be too

much just to add a buffer to the budget? She agrees a small buffer is ok, but not so large to spread people too thin. Bob Jones asked how much of a buffer the town budget has. Carleton Robie replied that the town returned approximately \$160,000 this past year, but it was not a buffer, it was unexpended funds. The town has done with less for the last four years. School Board member Nicole Laflamme asked Carleton Robie why the town returned the money. He answered because it was the fiscally responsible thing to do. Nicole Laflamme asked if the tax rate is increased due to the town budget. Carleton Robie corrected that the tax rate is down this year. Resident Charles Bowman asked if anyone know the number of families that can't pay their taxes. Carleton Robie stated that he doesn't know how many families, but he does know that the town is owed approximately \$600,000 in back taxes. Nicole Laflamme reported that there were 7 foreclosures in Candia last year. Carleton Robie corrected that the number of foreclosures is not the same as taxes owed because the bank pays for the outstanding taxes when it forecloses. Resident Barbara Bowman stated that she is not against a full time Kindergarten, but would have liked to see it as a warrant article so that voters have a chance to decide. Resident Chris Dewitt said that it appears that the Budget Committee cut the budget just in case the town changed things at the Deliberative Session. Eric Shiflett stated that you can't compare foreclosures to the tax rate. There are many other factors. He feels that investing in education makes the future better for everyone and contributes to the economy. He went on to say that cutting the budget will not help the people that can't pay their taxes. He stated that everyone here had the benefit of a good education and we should continue that. Sharon Dewitt asked that since four members of the Budget Committee voted to cut 10% out of the budget, how can the people have good faith in what you are doing. Lynn Chivers reminded the audience that the Committee will be talking about the budget again tonight after the hearing. Deb Lablond said that she had heard there is a warrant article to put the high school tuition separate from the budget. She said that since Senate Bill 2 has a "no means no" rule, if the article failed, then the school couldn't pay any funds for the purpose of high school tuition. They would also not be able to transfer funds for that purpose either. Lynn Chivers said that the warrant article regarding high school tuition will not be on the ballot this year, but even if it was, the funds are still included in the operating budget and therefore can still be spent. It will not be an issue this year. Emily Roster asked that when the Budget Committee deliberates tonight, she hopes they will represent all Candia residents, not just the ones on fixed incomes, but to include the children. Resident Julie Lemieux asked what percentage of the school budget is discretionary and non-discretionary. Dr. Littlefield didn't have the answer, but guesses it is tilted toward non-discretionary. Sharon Dewitt quoted Principal Bob St. Cyr as saying that 94.6% of the budget they have no control over. Principal St. Cyr spoke and said he did not recall the actual percentage. Todd Allen reminded the audience that no matter what number the Committee comes up with, it can be changed at the Deliberative Session by up to 10%. Resident Mike Davis asked what percentage decrease was the Budget Committee proposal. Lynn Chivers answered that it was about 5% less than the School Board proposed budget. Todd Allen reminded everyone that the number may change due to finding an accounting error.

There being no more comments or questions, Lynn closed the public hearing at 8:00.

At 8:05, Lynn opened the regular Budget Committee meeting. Lynn asked all the Committee members to go through the school budget and look at the areas that are different between the SAU and the School Board budgets. There was then discussion regarding how to approach the numbers and make sure all the fixed, uncontrolled costs are considered. Todd Allen made a motion to amend the budget to \$7,633,268. Carla seconded for discussion. Carla feels that number is too high. She wants the school to level fund the budget at \$7,585,973, which is still \$500,000 more than they actually spent last year. Todd commented that that number ignores the fixed increases this coming year. Judith Szot feels that the town has saved money to get a cruiser after the Budget Committee said no. They managed to

Budget Committee Minutes, January 12, 2012 Public Hearing

decrease their bottom line. The school has fewer students, but their budget increases. This is the fourth year of the recession and some people are affected by it. She doesn't deny anyone an education, but she could support the increases only if the times were better, not now. She has people asking her to keep the budget under control. Todd feels that it is irresponsible of the Budget Committee to hold the school to a level funded budget because they have many more employees than the town and they need more flexibility in their budget. He feels 7.6 million is reasonable. The vote was called. The vote on recommending \$7,633,268 was three in favor (Lynn, Christine, and Todd) and five opposed. Motion failed. Carla Penfield made a motion to recommend a budget of \$7,533,897, which is the same as the 2011-2012 operating budget. Seconded by Judith Szot. Carleton Robie feels there are several fixed cost increases that are not included in that number. Lynn Chivers agreed. Todd Allen called the vote. Motion to recommend \$7,533,897 was five in favor and three opposed (Christine, Lynn, and Todd). Motion carried.

At 8:35, Christine Watson made a motion to adjourn. Seconded by Ingrid Byrd. All in favor. Motion carried.

Minutes respectfully submitted by,
Cheryl Eastman