

~~Unapproved~~Approved
Candia's Selectmen's Public Meeting Minutes
November 4, 2013

Attendance: Chairman Fred Kelley, Vice-Chair Carleton Robie, Selectman Dick Snow, Selectman Amanda Soares, Selectman David DePuy, and Administrative Assistant Andria Hansen.

Departmental Reports: Highway, Police, Fire, Building, Solid Waste & any other depts.

Highway: Road Agent Lewis read from the attached report. They did some shimming on Lane Road about 200 – 300 feet. They did the worst piece of that road. He didn't want to spend too much on Lane Road since they are repaying it next year. He asked if the FEMA check was going into the general fund or the highway department budget. They received about \$22,000 back from last year's February budget. Selectman Robie said the policy in years past was to return the (FEMA) money back to the general fund. His point was well taken and moving forward they should address this issue. He thought they should put those funds back into the operating budget because they can. Road Agent Lewis noted it has been done both ways in the past. Selectman Robie said in the past he thought they couldn't increase the operating budget with those funds. It would skew the bottom line. Road Agent Lewis noted that in years pasts it looked like he over expended his budget. He did but he was reimbursed. Selectman Robie asked if he had a place to spend the money. Road Agent Lewis replied the roads always need work. It is entirely up to the Board. Selectman Robie noted winter pay roll is almost expended. Road Agent Lewis said if they were to put it back into winter payroll it would just about cover what they are into the winter maintenance warrant article right now. Selectman Robie thought it would be a good idea and it would be a legitimate place. Selectman Soares thought it was the only reasonable place to put it. Road Agent Lewis explained it will make his bottom line look overspent. If he were to do the rest of the asphalt maintenance it will make his bottom line increase by that amount of money. Selectman Robie said they are going to account for it so everyone can see it. If they are going for the highway department they are going to do it for the police department and emergency management department. Selectman Soares motioned to place the FEMA money back into the departments where it came from. Seconded by Chairman Kelley. All were in favor. Motion carried. Selectman Robie said they should stick to the same decisions moving forward. Road Agent Lewis said it makes sense. Selectman Robie asked about the guard rails on Patten Hill. Road Agent Lewis said he was waiting to see what the numbers came in for the pavement. He didn't know if he had enough in the warrant article if he didn't he would take it out of the safety improvement line.

Police: Chief McGillen said he just came from a fire scene on Depot Road. All the occupants and animals were okay. The fire department did a great job saving the house. They had burglaries last month. They just had one toady on High Street. He noted Auburn had a similar call around the same time up Hooksett Road. Officer Langlois will be meeting with Auburn tonight to compare notes. The new officer arrested a guy for DUI on Langford Road last month. Officer Langlois arrested the same guy a few days later for DUI. This individual is behind bars on cash bail. You don't want those habitual offenders on the road. They have a lot of drug and DUI arrests lately. They arrested the individual that hit motorcyclist in August. They have a couple of charges against that individual for vehicular assault. He hasn't contacted Consumer Auto Repair who will be fixing the ACO car. Selectman Soares said their phone system was down and they had a lot of calls on voice mail. Chief McGillen said he would get in touch with him. Selectman Soares asked if they

had a policy for integrating the cruisers into our system. Chief McGillen said they just implement that today. Selectman Soares said she has seen the new cruiser on the road and wasn't sure if they integrated it. Chief McGillen said they usually let the Sergeant drive the newer cruiser. He wasn't sure of the exact mileage on it. They just transferred it over into service. Selectman Soares confirmed that they didn't have anything written down it's just something they do. She asked if Sergeant Gallagher could write something down in case they get questioned about it. It's for the departments benefit. Selectman Robie noted the Budget Committee is meeting on November 13th at 7:00 p.m.

Fire: Chairman Kelley read from the attached report. Chief McGillen informed the Board that four officers went over there for some training. They have a doctor on staff who is a phenomenal instructor.

Building: Selectman Soares read from the attached report. They are getting into the winter months and projects are slowing down. Selectman Soares noted Building Inspector Murray has been keeping up with his training.

Solid Waste: Selectman DePuy noted they have a new trailer at the recycling center. The cost of the trailer was \$2,000. This will eliminate the rental cost of \$840 per year. The skid steer they thought had a gear problem turned out to be a chain that just needed an adjustment on it. It only cost \$1,000 instead of \$3,000 - \$4,000. The mechanic that looked at it said it looked good for its years and age and hours. He thought it significant more life in it and they weren't throwing their money away by repairing it. He talked with Chuck about amending the monthly reports by adding the revenue to it. He noted what the bale in a month might not be what they sell in a month. Chairman Kelley said that Jerry Becker has some trailers that he is looking to get rid of and Chuck should talk to him.

The Board to discuss Diamond Hill Road matter. Chairman Kelley said they were waiting for Selectman Snows to review the agreement. Selectman Snow said he was fine with it and thought they should make a motion. Selectman Robie noted that did that last meeting. Brian Miller of 74 Diamond Hill Road asked if this was agreement that the two attorneys' and the mediator came up with. Chairman Kelley replied yes. Mr. Miller asked when he could have a copy of it. Selectman Soares replied as soon as it is filed with the court and the Judge signs it, it will become public.

The Board to consider adopting fund balance policy. Selectman Robie said they all looked at this in the office and noticed everyone initialed the draft copy. He thought this is what the Board wanted as a policy, but they did the tax rate setting last Thursday and there seems to be some discrepancy's on what the Board members thought. If they institute this policy which says they are going to keep 5% - 8 ½ % in the fund balance. They have approximately an 8 million dollar budget (town and school). The fund balance is currently \$1,275,000. Selectman DePuy said when they reviewed this policy last year he remember the Board wanted the target to be one million dollars. Selectman Robie said they should increase the target to 10%. He noted once you reach this target you're not supposed to be hoarding that money. Selectman Soares felt it wasn't hoarding the money. They have to use the money at a certain point but you don't have to use all of it. Selectman Robie reiterated they all reviewed the policy last week, but when they set the tax rate they didn't understand it. They need to understand it because it is a policy for future Selectmen to follow. Selectman Soares said they reviewed it in the office it didn't make it an official policy. They didn't

vote on it so we can have a difference of opinion when it came to the tax rate. They have to vote on the policy before they can make it official and they aren't misunderstanding it. They didn't agree to what was proposed to them when they reviewed this last year. Selectman Robie asked if the Board wanted to increase the 8.5%. Selectman DePuy said he would like to. He reiterated that they discussed keeping the fund balance at one million and that comes out to be about 12%. Selectman Robie said if they are going to have a policy they are going to have a target on it. You return the funds back to the tax payers through the tax rate. Selectman Snow replied it doesn't say that it says you can if you want to. It is a decision that the Board makes when they set the tax rate and they use this as a policy to say they will go not below a million dollars. Selectman Robie said the target is 8.5% according to this policy after you reach the target you start giving it back. Selectman DePuy said the plan is to achieve the target by limited the amount you do use to reduce the tax rate. It's not an automatic that once you reach the target that every dollar over that is used to reduce the taxes. Selectman Robie thought that was the intent of the policy. Selectman DePuy said that wasn't the intent when they discussed it last year. Selectman Snow said it is a decision of the Board at the time they set the tax rate. Selectman Robie replied why have tax rates. Selectman Snow explained it sets a minimum amount when we are setting the tax rate. They did this last year and they didn't go below the million. They went down to 1.1 million and it was left there to be used as revenue to fund one of the warrant articles which was reduced to \$1. It was there and it could have been used. It is there to be able to be used for the warrant articles, the budget, and revenue. It says you should conservatively measure the amount of revenue they expect to get in next year. It can be used as revenue should the town meeting used to. Selectman DePuy thought the discussion at the last meeting raised good concerns. The town might need to spend more money next year for whatever reason. He would not want to go right down to the target balance; he would like to leave a cushion. He thought was a target and there is discretion of the Board to use that money to reduce taxes or keep it in reserve for something unexpected. Selectman Robie said that isn't how the policy is written. It says once you reach the target you would use the portion of the fund balance to reduce the tax rate. Selectman DePuy understood and it is not written well and we had a meeting where we talked about this and he didn't think it ever came back until this year. Selectmen's Administrative Assistant Hansen explained they discussed it last November, but the Board never made a decision on it. Selectman DePuy said they should have made a decision back then but they didn't for whatever reason. Chairman Kelley said years ago when the fund balance was the DRA told them they should build it up to 1 million dollars. Selectman DePuy offered to draft a new policy that would make sense. He would like to talk to each of the Board members and bring it back to the next meeting. Selectman Robie thought the policy was drafted very well and the percentages were wrong. Selectman Snow read from the fund balance and the way you reduce taxes is that you appropriate some of the unreserved fund balance when doing our warrant articles. The legislative body decides what they are going to spend and then they say where is the money coming from. Some of the anticipated revenues can be used by the legislative body, the town meeting, to reduce the costs of the warrant articles. Selectman Robie said he would not want to go to the town meeting with a warrant article that we tell people that we can give it to them because we have their money. He would rather not do that because you could sway a warrant article pretty good if you give to them and it isn't going to cost anything. He didn't agree with that philosophy at all and it is very confusing. We just don't want people to vote for a \$75,000 warrant article and not tell them why. Selectman Snow said it will say it right in the warrant article that they are going to take it from the unreserved fund balance and they will take the rest from taxes. Selectman Robie said he would rather not do that. The revenue and the unexpended funds should be tuned back to the people. He noted we don't do that in Candia and we never have. Chairman Kelley said we need

to let the people decide on their own and not sugar coat it for them. Selectman Snow replied if you take the unreserved fund balance in November and you use it to reduce the tax; the town meeting will no longer use it because you already spent it to reduce their tax rate this year. Selectman Robie said they don't use it at town meeting and they never have. We don't want to. Chairman Kelley has never remembered using the fund balance at the town meeting. Selectman Snow replied if you look at the municipal budget law it shows you examples. It says right in there you can appropriate "x" amount of dollars from the unreserved fund balance. Selectman Robie felt he had it backwards and that isn't the way they do it. Selectman Snow replied it isn't the way they do it but it is a way it can be done. This to him is a better way to do it, let the town meeting decide. Selectman Robie said he is confused and he just can't see that. The way they have been doing it is good. They need to put a target on their unreserved fund balance when they reach the target then they need to turn it back to the people. What they did at the tax rate setting meeting was a start in getting back to the target. He thought they needed to increase the percentage on the target and follow the policy. Chairman Kelley said he understood where Selectman Snow was coming from, because he wanted to keep all of the money in there in case something drastic came up. He just doesn't want to see them drop below that line. He has seen it before. Selectman Robie noted they have dropped down before because unpaid taxes are part of the 1.3 million. At one point six years ago there was \$500,000 owed to us the unreserved fund balance was \$500,000. At the end of May when the tax bills went out we wouldn't have any money. This is why they need to have more than 5%. It is pretty much what is owed to us. Selectman Soares asked what they would consider their target balance number. Selectman Robie said he would put it at 12% of their operating budget which the state says between 5 %and 10%. Selectman Soares said he keeps referring to 8 million but the town, the school, and the county comes to 11.9 million. Selectman Robie replied the DRA told them on Thursday. Selectman Soares said she was going by the example in the policy. Selectman Robie said it's just an example it isn't our budget. Selectman Soares confirmed that our total budget is 8 million including the school and the county. Selectman Robie replied it was pretty close. Selectman Soares said she wanted to keep the target balance at 1.5 million and didn't want to go under 1.1 million. She would like to increase the minimum to \$650,000. Selectman Robie said the DRA says it should be between 5% and 10%. Selectman Soares said they can increase the percentage. Selectman Snow noted it's just guidelines and recommendations. Selectman Soares reiterated the minimum should be \$650,000. They know that they have \$500,000 in back taxes that they have not gotten back. Selectman Snow said when they are setting the tax rate they are looking at numbers that are after revenues. Chairman Kelley said he is looking at the draft and it is only a draft. Selectman Snow said this is where the prior officer manager came up with the general funds annual budget. This isn't an estimate. Chairman Kelley reiterated it is only an example. Selectman Snow said it isn't accurate. Selectman Robie said they know that. Selectman DePuy said this is an example that is good for years hence. Selectman Robie would like to raise the 8.5% to either 10% or 12%. Once we reach that target the Selectmen moving forward will know they have to use it to reduce the tax rate. Selectman Snow said it is a decision that is made by every Board of Selectmen at the point in time that they set the tax rate. He didn't want to be limited by something that is in a policy. He would rather say they are not going to do a policy. Selectman Robie explained the auditors told us to do the policy, so the people of the town know we aren't building up an unreserved fund balance in the millions that is their money. Selectman Snow replied they can look at the town report and look at what the unreserved fund balance is. Selectman Robie said they can't do anything about it if there isn't a fund balance policy in place so they can get it back. Selectman Snow said yes they can they can go to the town meeting and appropriate some of the unreserved fund balance. Chairman Kelley felt they were going in circles with this. Selectman Robie said he

got his point out and they should raise the 8.5% to 12% and try to follow the policy to the best of our abilities. Citizen Becky Sarra thought the verbiage of the policy should be a little plainer. Selectman Robie thought it was pretty simple. Citizen Becky Sarra said the next people that come in will have to interpret this policy and does it need to be a little more simple. She questioned does it need to be plainer than what is there. Selectman DePuy pointed out that the Board of Selectman may appropriate any amount of undesignated fund balance in excess of the designated percentage or use the excess to offset the property taxes. The issue he has is that if they are in a year where they foresee something significant may come down the pike for the next year. He would like to have the flexibility to not have it be an automatic to go to the 12%. He doesn't want to see anything bring it back down to the \$500,000. He understands giving it back and hitting the target but in those years where they think there could be a significant issue he would like there to be a cushion. Selectman Robie noted the only time the Selectmen can take money from the unreserved fund balance is when we set the tax rate. They can't say they are going to take money from the unreserved fund balance; the Budget Committee has to approve that first. Chairman Kelley thought the DRA had to approve it also. Selectman Robie clarified the only time they can adjust the unreserved fund balance is for taxes. Selectman Snow thought it was a function of each Board of Selectmen. Selectman Robie thought it was nice to have a policy so the future Board can follow it or change it. He noted they get to the point of how much money are you going to spend. There was further discussion about the percentages and the target. Selectman DePuy said the wording in the policy says you can use it to spend on something or reduce taxes. Selectman Robie said they have to get approve to spend it you just can't spend it. There was further discussion about the policy and money owed for taxes. It was the consensus of the Board to review the numbers and the draft of the policy. Chairman Kelley motioned to review the draft of the fund balance policy at the next Selectmen's meeting. Seconded by Selectman DePuy. All were in favor. Motion carried.

Selectman Robie noted the School Board invited the Selectmen to their meeting Thursday night at 6:00 p.m. It is a big part of the operating budget and they will be discussing the high school tuition.

The Board to authorize payment of payroll checks and accounts payable checks. Chairman Kelley announced the grand total of payroll and accounts payable checks for November 7th is \$1,188,332.87. Selectman Snow motioned to accept the total payroll and accounts payable checks in the amount of \$1,188,332.87 for November 7th. Seconded by Selectman Soares. All were in favor. Motion carried

Chairman Kelley motioned to adjourn at 8:15 p.m. Seconded by Selectman Robie. All were in favor.

Respectfully submitted,
Andria Hansen, Recording Secretary