

~~Unapproved~~Approved
Candia's Selectmen's Public Meeting Minutes
November 25, 2013

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

The Board to pick a snow date for Deliberative Session. It was the consensus of the Board to have February 3rd, 2014 at 6:30 p.m. as the snow date for the Deliberative Session.

The Board to discuss creating a new line for the Highway Department budget. Road Agent Lewis said he realized he only had a storm line for the summer. He would like to add a line to the winter budget. It would only be \$1.00. Selectman Robie said he wasn't in favor of that. They recently had some FEMA funds come in from last February. Road Agent Lewis asked if they could put it back in his operating budget seeing they have already overspent on their winter maintenance part of the budget. The Board agreed to this. If they add a line to winter and they do have a storm that FEMA may reimburse it will be automatic that they would take that check and cover that line. If they don't have that line and they have an easy winter but have a blizzard and FEMA does call it a disaster and sends us a check it may not need to be put in that line. They can put that money back in the general fund like they have in the past and use that money. Road Agent Lewis's concern is if they have a winter storm and they charge it to that storm line they have to deduct it from somewhere. He would automatically take it out of the summer budget because they don't have a line in the winter budget to take it out of. Selectman Robie said if they got to that point they wouldn't let that happen they would reimburse the money to the highway department like they did two weeks ago. Road Agent Lewis replied this year they did it because they don't have the two separate budgets. They don't have it split for winter and summer. He thought it would be easier for everybody. It's only \$1.00 and it keeps the division between winter and summer very clear. Selectman Robie said if there is a dollar there and if we get a check it will be automatic that the check will go to that storm line. This may not be necessary. They have to plow and salt the roads anyway. He felt this would confuse things. It is guaranteed that the check will go right to that line. Selectman Snow said if he has a year and there is a storm that would over expend his bottom line would he explain to the Budget Committee that they had to over expend and the money came in as revenue to feed it back. Selectman Robie said it would be like in 2008 when they were \$100,000 over spent. Selectman Snow said the concern in the past was they'd have a storm and he would have to find the money in his budget somewhere to keep his budget from being over expended and he would take it out of other things. If he takes the money that is from a storm from another budget, it means they are going to get something else done that they intended to get done. A major storm event is an over expenditure of what you intended to spend. Selectman Robie said he didn't agree with that just like the storm of February 2013. He didn't think the town needed a FEMA check for this. They are going to clean up the snow anyway. Road Agent Lewis understood but if that storm is charged to his summer lines. They are not going to do summer work until he gets the reimbursement check because he has to cover this somewhere in his budget or they could have someone looking at this asking why they charged the storm to the summer budget. This way that would be cleared up. Two years ago when he had to do this he had to save some summer money.

He is just trying to clear this up with a simple line – winter storm for \$1.00. Selectman Robie reiterated if they get a FEMA check that is where it will go automatically. Selectman Soares noted since they separated the Highway Department into summer and winter could they justifiably take the storm line and put it into our town building line. We cover the town and they know Dennis is going to cover it. This way it doesn't get figured into a summer or winter line. If they put it in a town line they know it's there and if they get a FEMA check they can put it there. They could just eliminate the line from the Highway Department. They know they will take care of the town. If they do this it will be the Board's decision to make. This way it could eliminate the problem and make things easier. Selectman Robie said he just wanted to stay away from the FEMA check coming in and having it go to a certain place. They could have gotten along just fine with they got the FEMA check or not. Road Agent Lewis replied that he knew that but they could have a storm in winter where they couldn't get by with that money. This would have been in the winter time and all of that money would have come out of his summer line. If the check hadn't come in by October he wouldn't have spent any of that summer money. He would have to cover it out of his summer budget even though the expense was incurred out of his winter budget. Selectman Robie said once they declare it a disaster they are pretty sure they are going to get a check, so when the check comes in is kind of irrelevant. In 2008 they were \$103,000 over spent. Road Agent Lewis said they were reimbursed. Selectman Robie replied the Selectmen got chastised for overspending their budget. Road Agent Lewis thought he made it pretty clear. Selectman Robie noted the check would immediately go there. Road Agent Lewis said they could keep it or put it back it's the Board's option. He explained from his side of this it clears up the accounting. The Board has the option of putting it back in his budget or back into the general fund. Selectman Robie said if they have a winter storm they usually don't know if FEMA is going to call it a disaster until after it's cleaned up. Road Agent Lewis said they usually know within a few days. They call the towns and ask how much it is going to cost to clean up the storms and if all of the towns add up to over 2 million dollars they declare it a disaster. Then they know they are going to get something. Once the FEMA reps come they can figure out what they can charge or can't, then they figure out the FEMA rates and go through the whole process. Selectman Robie said he was a little skeptical of that and they just send that check directly here. They could have a storm that could happen to the town of Candia that FEMA isn't going to pay for. Maybe there are things that could be fixed from the storm that the money wasn't intended for. Road Agent Lewis explained they still have that option. Selectman Robie replied not if the line is overspent and there is \$10,000 charged to it. Their argument is going to be that the check is going to pay for that line. Road Agent Lewis replied it wouldn't be any different than the summer time. When he went to the FEMA meeting for the blizzard they gave them the option to charge whatever they wanted for a one week period. They are pretty flexible with what they can do most of the time. He isn't trying to make it difficult for the Board he's just trying to simplify it so it's black and white. This seemed like a simple solution to him. Selectman Robie said if they have this line they are going to turn the check over to it 95% of the time. Road Agent Lewis said it's that way 100% of the time. If his budget is under spent and he doesn't need it they can do what they want with the money. Selectman Snow said this is a better way of knowing what happened. When the FEMA check comes in it is received by the Selectmen and accepted and it becomes an additional appropriation to his budget. They \$10,000 is over and above what was originally appropriated. If he spent right up to the limit and he had another storm and went right over the limit the FEMA check would generate another appropriation and allow him to spend the \$10,000. The problem 2009 the auditors went and

spent a due in account. It didn't go right into the line he still had is bottom line number there, but the due in was an additional appropriation. He felt having the \$1.00 line would allow us to be able to say this is over and above what we expected to spend. If he was to do his budgeting like Todd does and goes back 5 years they ought to bumping up his budget for possible storms. Selectman Robie replied so last February when they declared a blizzard they didn't expect to spend the money that it costs us to clean up. Selectman Snow replied the question he was raising is did they expect to have a storm in February where they expected to expend his budget. There is no way we would know how to do that. When they accept the FEMA money it creates an appropriation which allows us to over expend and not have to use his budget to pay for a storm we didn't expect. Selectman Robie said he would expect any winter storm in Candia. Selectman Snow replied then you have to budget for it. Selectman Robie said they do that. Selectman Snow would differ on that he does not have in his budget an expectation of any storm. He has an expectation of what his normal winters are like. He budgets for that based on experience. Road Agent Lewis said no matter what happens they have to take care of the roads, make them passable and keep them open. Sometimes they get reimbursed and sometimes they don't it's not their call to make. He just wants to make a place to charge that to in the winter line in case this happens. He is just trying to protect the Highway Department with this suggestion. It would be easier and it would take away the discussions of why he plowed snow in August. They don't have that line to cross anymore. Selectman Soares said she understood Selectman Robie's point of if something happens and they don't get reimbursed. They have insurance on this building and all of the town properties. They can make an insurance claim they also have the town building maintenance fund. This would cover this building and other town buildings. She understood his point in regards to the highway but she was trying to make it ambiguous so it isn't between a summer and winter budget. It would be a generalized storm line so it's a little easier. If they are getting reimbursed for what they are spending that is our call to decide to reimburse those areas. They feel like they don't have to reimburse an officer who is getting overtime where as Dennis is over his line because he used a lot of his materials to cover what is needed and we feel that is more reimbursable. They definitely have the power to decide where the money goes and there are also other options. She thought they could create an ambiguous line somewhere maybe in emergency management. It makes it a little easier for everyone. Selectman Robie said he would go along with that. Selectman Snow thought having a storm line allows the public and the Budget Committee see what was out of the normal, over and above what the anticipated and put into their budget. It would be there whether they got reimbursed or not. Road Agent Lewis informed the Board that he wasn't doing this to make sure the money goes back to the Highway He didn't mean to make a big discussion over this; he was just trying to simplify a process. The other departments aren't split between winter and summer; he is the only one that is split. Selectman Robie said they split the lines up into summer and winter and if they have a mild winter and they still have \$220,000 in winter payroll there wouldn't be any reason the Selectmen couldn't transfer the money into a different part of the highway budget. Road Agent Lewis said it's the Boards option. Selectman Snow asked where they wanted to put the \$1.00 line. It was the consensus of the Board to add a winter storm line in the highway budget for \$1.00.

The Board to consider Lights on the Hill request. It was noted that the Congregational Church would like to the Smyth Memorial Building on Sundays for the month of December from 12 p.m. to 2 p.m.

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 14th, 21st, and 27th is \$238,803.68. Selectman Snow motioned to accept the accounts payable and payroll checks for November 14th, 21st, and 27th in the amount of \$238,803.68. Seconded by Selectman Soares. All were in favor. Motion carried.

Approval of Previous Minutes: Public meeting minutes of 10/28/13 and 11/4/13. Selectman Robie motioned to accept the Selectmen's public meeting minutes for October 28th, 2013 as written. Seconded by Chairman Kelley. All were in favor. Motion carried. Chairman Kelley motioned to accept the Selectmen's public meeting minutes for November 4th, 2013 as written. Seconded by Selectman DePuy. All were in favor. Motion carried.

Unreserved fund balance discussion continued from last meeting. Selectman DePuy said he looked at it and made some revisions. They had discussed what the percentages should be. One was the gross budget which was 12 million and the other one after grants and stuff was 8 million. He added some language in the policy which says the minimum balance would be based on the gross appropriations. He also changed where it says undesignated fund or unassigned. They talked about the unassigned fund as being a different one. He looked at the law and the way it is written says would either appropriate an undesignated fund in excess of the target balance either to use the excess or offset the property taxes. It appears they can't use it they can only offset property taxes. The only way to use it would be as stated in the policy later in an event of an emergency and they would need to get the Budget Committees and the DRA's approval. He struck out the line they may use it and added or an event of an emergency. The only issue left is the one they discussed which is if they are over a million dollars we automatically turn that money back in to reduce taxes. Selectman Robie thought they should up the percentage to 10% which would be 1.2 million and they are approximately 1.3 right now and they would be turning that back to lower our tax rate. Selectman Snow said he didn't want to lock in a Board of Selectmen when another Board can change it next year. Selectman Robie said they can change it but at it least it gives a policy to go by. They sat down to set the tax rate and they have no policy. They are throwing darts at the number. He noted it's not the Boards position to be banking the town's money. They need a policy because the auditors told them they need a policy in place. Selectman Snow said the issue is if there is a fixed number in place that we will give back to the tax payers. He says they can give them more or less than what's in there. He doesn't want something in the policy that says this is what you've got to do. It may not be the best thing for the town and when it comes to setting the tax rate you do what is best for the town. Selectman Robie asked why they didn't do this two weeks ago. Selectman Snow said they did what was best for the town and it was the majority of the Board. When you set the tax rate it determines what the best is to reduce taxes. Selectman Robie thought they increased the fund balance to a healthy level and now we a number on it that we turn back to the people. They need a target and when they hit that target then they know what to do with the money and there is no question. They won't be sitting here having these arguments. Selectman Snow felt they shouldn't be telling people in the future what they should be doing. Selectman Robie felt it would be a good idea and if they have a policy to open up and read. This took him 7 years to figure out and if he had a policy to look when he sat down to set the tax rate; he would have a better idea of his target and a better understanding of whose money this really is. Selectman Snow suggested using the word "should" be using the money to reduce the tax rate, but if you

say shall we have to do that. He didn't think the Board of Selectmen should have to do that. Selectman DePuy said he was comfortable at a 10% level. Selectman Soares would like to see it at 13% and the 1.5 million should be the cap, because things are going to go up. If they have some sort of issue where the DRA says we have a natural disaster and they have to use the unreserved fund balance things are not cheap anymore. Selectman Robie noted the DRA is recommending 5 to 10%. Selectman Soares said the DRA recommends that but the GFOA recommends 8 - 17%. She likes 1.5 million and she doesn't foresee things getting any cheaper. Selectman Robie replied in the event you are talking about you can count on FEMA. The Federal Government loves to spend money they don't have. Selectman Soares replied she didn't depend on the government for anything. Selectman DePuy noted they are going to be using a percentage so in part that will adjust as the budget goes up and things get more expensive the percentage won't be a fixed amount. Selectman Snow explained the unreserved fund balance is a function of appropriations, expenditures, and revenues. It has nothing to do necessarily with the general costs of goods. They should be having these arguments at the point in time that they set the tax rate. If he has an emergency and it comes to the tax rate setting time and he can't do what this says he is going to get rid of it because it isn't good for the town. Why have it in there and have an expectation and have people come back to you and ask why didn't you do that? Selectman Robie replied if you have a reason why you didn't do it then you have a legitimate reason. They have no legitimate reason as to why they are hanging on to 100's of 1,000's of dollars of our taxpayer's money. Selectman Snow reiterated that is a discussion when we set the tax rate. He didn't have a problem with saying these are the numbers we use and the goal should be to the greatest extent possible they should turn the money back to the tax payers. There are towns that have nothing for an unreserved fund balance, they turn it all back. They go back and over appropriate. Selectman Robie replied they are trying to do this the right way. He's the one that is always talking about you need to tell people what you are doing. There was further discussion about the fund balance policy. Selectman Robie suggested they could split the difference between 10 and 13% at 11.5%. Selectman DePuy suggested using "shall" as an unknown expenditure. It was the consensus of the Board to allow Selectman DePuy to make changes to the draft of the fund balance policy.

Recent fires: Selectman Robie mentioned there have been 3 house structure fires in the past three weeks. He wasn't sure everyone knew this because our Fire Chief avoids the newspaper. This is pretty rare in a three week period. Two of them were in the middle of the day and they have 15 to 22 volunteers that leave their jobs to tend to these issues. They need to be commended for that. They went out in the middle of the night for a structure fire on North Road. On two of the structure fires the structures were both saved. There is a group of men and women there that do a tremendous job for our community. He didn't think enough people knew this.

Selectman Snow said they need to start discussing warrant articles and he will be bringing his to the Board. He would like to have the Board consider them. He noted at looking at submitting 5 or 6.

Chairman Kelley motioned to adjourn 7:54 p.m. Seconded by Selectman DePuy. All were in favor. Motion carried.