

**Candia Budget Committee
Meeting Minutes of Jun 13, 2007
Approved**

Present: Carla Penfield, Vice Chair; Jim Brennan, Selectman's Representative; Ed Caito, School Board representative, Brenda Stevens, Kim Byrd, Steve Higgins, Kristine Pouliot, Judith Szot, Ann Tierno

Chairperson calls the meeting to order at 7:02 M

Minutes

Carla tables approval of April Minutes for now. Discussion ensues of the minutes prior to April and what is available, approved and unapproved for minutes and there is a discussion of the RSA not requiring minutes to be accepted.

Kim Byrd makes a motion to approve the minutes and place them on file for public viewing. Brenda Stevens seconds noting that the only corrections might be spelling errors

Kim amends motion to accept the minutes of the dates November 10, 2006, December 18, 2006, **Jan 10, 2007, Jan 16, 2007, Jan 23, 2007 and Feb 13, 2007.**
and place them on file for public view.

Vote – All in favor.

Motion carries

Expenditure sheets Town and School

Carla summarizes and explains that Charlene is new, and got the sheets from Carolyn and not noting they were double sided. If members picked up packet Monday or Tuesday, they were missing pages. We have new copies that have all of the pages.

School Expenditure sheets:

Procedural discussions have occurred among the school and the Budget Committee that will result in an outcome whereby the sheets will either be hand delivered, or mailed to the Town Hall on the Friday prior to the budget committee meetings. Ed offered to aid in this matter.

Brenda to Ed regarding the account number 1. What does the encumbered column mean when we are not at the end of the year? Ed notes that encumbrance means expenses within the fiscal year. We (School) did not include any encumbrance from a prior fiscal year. This would be items where there may be contractual obligations for which the money has not been spent. It could include salaries or copier maintenance agreements. The difference between the town and school district reports – encumbrances in the school reports include the fiscal year and in the town reports, include amounts that may be prior to the fiscal year. What should ultimately happen, Ed explains, the column entitled encumbrance gets smaller as we progress through the year. Ed explains that one could encumber all of teacher's salaries and move it down as paychecks are cut.

Carla to Ed to explain to Judith the difference between these sheets. Ed notes that what we have tried to do is over the years we have tried to get reports sorted in different ways. There is the actual object codes: Principals center, media center, nurses, guidance. Function code would be thinking of it as the departments. Object codes would be the categories. Object codes would be

conferences, salaries, textbooks, maintenance, contracted services, professional services, legal fees, audits, water sewer repairs, etc. as opposed to thinking of it as departments which are the function codes. Sometimes it is interesting to look at it in different ways. If we are running into a problem, we can focus on a category such as salaries or via are we having an issue in regular education or special education. Judy asks if the tow sheets are these different because one is function and one is object. Ed replies that the one starting with salary teacher would be function. 21 is Candia. The next one on that function report is 1100 – representing regular education function then there is the object code 112 regular ie. education object salaries.

Carla prompts for questions on school expenditures. Ed summarizes from the spreadsheet of projected financial position as of May 2007. This is a process the School Board have requested the SAU go through monthly to go beyond encumbrances and to see where they think they will end the year and it is meaningful. Back page, we are looking at a surplus of \$210,000.00 of that \$122,000.00 represents our regular education public high school tuition. We vote on this. That leaves approximately \$88,000 in the rest of the line items. At this time, we are only considering one item unbudgeted that we may purchase and that is a new software assessment tool. The state of NH has provided some software and it will provide kneecap testing to actually be able to drill down into kneecap test results on a child by child/class by class/where there could be weakness in an individual child or classroom or curriculum issues. Tomorrow we should have an idea of what our cost could be to consider the cost for an encumbrance. One of the discussions was why we could not have this in the 07/08 budget – it is because the state did not release the informaiton until March 2007 In order to get results and information we see the software as especially helpful to help us get there in terms of the results. This will allow us much more, not quite real time, but faster results and ability to modify any kind of instruction. Kristine Pouliot asks if there is an idea of how much? Ed observes that each individual community in the SAU was given a quote and there was a proposal as a whole SAU and the savings for the SAU were significant. Candia would have been \$11,000.00; the three communities, \$40,000.00 but as one combined purchase it would be \$22,000.00. Ed notes that questions remain about capital components such as hard ware that might be needed – training notes Kim asks if Ed knows where it will be installed SAU or local? Ed replies it will be neither; it will be housed online. As part of the “Follow the child initiative”, we would be getting the child’s results of that child’s assessments. Judy asks if it is coming off a state server. Ed replies he does not believe it is a state server. Ed is not certain if it will be the software company or the company the state is contracting with or the state. Regardless, the schools will get their kneecap results sooner than the paperwork we get from the state. Ed notes it’s not the speed so much as the ability to drill down to actual test results where children had results within specific questions. Judy shares that you get that now per child on a printed sheet. Ed shares that the level of data will be available faster and on line. You will be able to say in Mrs. Szot’s class, how many children got this question wrong.

Steve Higgins asks if it is paid for in one year or is it a ten year contract? Steve also asks for the name of the software. Ed replies it is Performance Pathways. Carla asks Ed if they will come back next month. Ed lets the committee know that the school board will let the budget Committee know if it’s encumbered or not. Kim asks if this is a pilot program or if it has it been tested out. Ed observes that we will not be the first community. The state signed in March and is now working on signing up the communities in NH. Ed comments that we were given Derry and Rye as schools that have been working with this software even prior to the state contract. Steve notes that Manchester is looking at it. Ann asks: in talking to Derry and Rye what was the outcome? Ed replies that the way they used to do it was with paper. This kneecap is only in hits third year.

Carla asks of the report on the line for repairs and maintenance and asks if there were major repairs. Steve Higgins notes that there were septic repairs, but Ed notes that has not cost a lot. Ed

indicates that Dennis Lewis has looked at it and has warned there may need to be a replacement in a few years and adds that it may be another problem as a result of the substantial flooding in the spring. Carla asks about the transportation line. Ed notes this is a SPED issue. If in budgeting the cost would have been with the advocate and parents for the student to be a day student and provided, we are talking two separate line items. Carla to line 561 you have under spent substantially and asks if that is that high school tuition that has not been paid. Ed replies it could be in 561, 563, 564. \$122,000.00 is the public school. Lines 563 and 564 are more prominent SPED lines. Ed speculates it will be in 563. Kim observes that in the Projected Financial position as of May and no date given there and cannot compare it to the expenditure report, the two grand totals do not add together. Ed observes the point and offers to speak to Karen Lessard about making sure that the date is not as board as the entire month. The only way he knows we are looking at the same period expended year to date 590, 594 is the same number as the Projected Financial report. Ed notes that the remaining balance includes some estimates while the other is driven off the accounting software. Ann – this is actual versus projected. Projected is actual plus encumbrances, plus additional estimate.

Ed invites the committee to go back to the second page of Projected Financial position. Line items funds transfer-\$19,000.00 we have ended up to be over budget on food service and this represents a transfer from the general fund to the food service. We are running over no necessarily because of expense, but because of not having revenue. We have just had a retirement and we are advertising for a new food service director. At this point, we have looked at where we are standing with lunch and breakfast prices comparative to other SAU prices and have tabled any discussions until we have a director in place, reviewing offerings, nutrition. At our last meeting, I noted that I am not in apposition to support an increase in prices where we are offering the same thing. Kim asks is the food service the only fund that money is transferred into. Kim asks if the \$295,000.00 all food service or are there other funds. Ed replies that it includes approved warrant articles, SPED trust fund. This is what this line item is.

Carla asks Ed to clarify that the \$19,000.00 came out of your general budget. Ed replies that yes, it did and it was unbudgeted. He notes that they do not normally budget or project a transfer. The meal prices, plus a federal subsidy is intended to allow it to stand on its own.

Town Expenditure Sheets:

Carla notes that the committee cannot tell the exact figure, but there is a deficit because of the storms. She asks if Dennis expects to recoup it from FEMA. Jim notes that they have met a total of 6 days. Carla reiterates that whatever the deficit is, we expect to recoup it. When the money comes in, it will not be as revenues, we will just see the line where there is a deficit will wipe out the deficit line and not show as revenue. It will go directly into Dennis' budget. Jim adds that in Highway, page 9, you will note the week 22, May 31, 07 date there is 01431202810 Rain Storm Repair. Jim does not know the total figure, of the whole storm but Dennis said it was about \$150,000.00. Not all of the bills have come in yet. Brenda asks if there are other items. Jim replies not over \$1000.00. Jim notes that Dennis has to break it down in increments. Ed asks if we get any police re-imburement. Jim does not know what the paperwork is that Dennis has completed. Judy asks if the section of South Road destroyed by people parking there will be reimbursed? Jim replies he thinks they said they will repair that. Judy asks they are either paying for it or repairing it? Jim notes that the biggest discussion is this expense. Ed asks is there on the actual and anticipated revenues if there any effort being made into an actual year budget number? Jim will look into it. Carla addresses the revenue sheets. Jim will talk to Carolyn about it. Ed notes it does not give me a lot of information to say how we are doing. Ann questions

supply lines that are already in deficit and wonders what that is about. Jim will speak to Town clerk directly. Carl asks that Jim will have them for next Month: Town Clerk, Dog licenses, office supplies and motor vehicle supplies.

Jim offers to answer questions from April. One is the final budget report. Brenda had asked about one. Jim observes that typically the Town report is the final one unless vendors have not submitted all of their bills. The final expenditure report for 2006 is in April when the auditors come. Carolyn is pretty sure that the actual expenditure reports in the town report was the final for 2006. It is not often it changes, but for 2006, the town report was final. Blevins clean up. So far we have received \$25,000.00 we have spent \$48,000.00. It is in the encumbered if we don't; we already taxed and if we don't spend it, it will go back into the general fund. Carla asks if they have you spent all you will spend? Jim does not know, but whatever is left over will go back into the general fund. Fund balance used to offset the tax rate to 1993. Carla would like a hard copy tonight.

Ann asks about truck maintenance for forestry fire department, noting it looks like they have spent it all. Was there something they knew about, or are there more maintenance items coming. Ed asks one more question. Brenda provided some insight on the truck maintenance.

Ed then continues that one item that caused consternation in the last budget process was the direct assistance matter. I would like to see if through May where we are already half spent, if it is heavier in the winter than other months. Jim did not go over that; but notes two selectmen involved can provide a report against how the years go. Jim observes that with Tom looking over that department it is one of his things.

Carla brings up that we discussed at our last meeting some changes that we wanted to see in the Selectmen's budget, because in fact what we get is the Selectman's budget. Carla displayed the Proposed 2007 budget which is very helpful. Ann will take notes on whatever changes we decide we would like to see and we will send this in written form to the Selectmen as opposed to Jim having to carry the message. The first thing we decided is if we go right to the Police department and the town what category would Carolyn's wages.

Last year what we got in regards to wages, we received separate sheets. We have discussed and did decide that these wage sheets be incorporated in with the regular line items. The police wages will come in with the police budget and instead of seeing one item as wages; we will see all of those wages broken down. Beside those wages, we will also see the increases. We were specifically talking about police and town offices. Carla asks of the committee if that that is going to satisfy all of you and asks are there any places where you would like to see more detail? Brenda would like more detail on Solid Waste. Kim concurs. Judith asks if there wasn't also discussion about breaking out the benefits. Pension and what the town gave for the pension. Jim notes that they did when we discussed this last time. He personally was going to try and do this without going to Carolyn first. Carla says we would like to see base wage, COLA etc. Jim replies that each wage person has Social Sec, Medicare, etc. Jim wanted to see how it would look & note some trouble getting it to work. Carla does not recall having any of that after reviewing through as much of what she had as she could. Kim observes that the committee did not have it breaking out Medicare and Social Security. Carla re-iterates that in addition to the three lines, there would be three more. Jim replies that he is sure each person has a dedicated amount. Carla asks if we have any control over that. Judy adds that one has no control over FICA etc. Ann adds it will change as wages change. Ed supports that is how it works. Jim reiterates that for next year you want to see the COLA increase? Carla adds we would like it in the police department as opposed to separate for Town offices, Police and Solid Waste.

Carla notes that there are departments where we want more information. Carla notes that we have the “justification sheets”, the sheets each department put in with their budgets to tell us why. Jim adds that when Selectmen pass on to the budget committee, we would carry their notes over, or we would include Selectmen notes to the budget committee. Carla adds that the committee did get additional sheets from individual departments. The substantial ones came from the Building department, Police, Road agent, and others. Carla indicates a preference to go through this one department at a time.

Carla instructs the committee that, as we go through these, members of the committee should if they need more information than we got here or more information than we got on the separate sheets. Animal Control. Jim clarifies and asks if the committee would like detail as to when he went to seminars and training? Brenda inserts that he has a supervisor and that the committee should not need to micromanage that.

Ed observes that in his opinion, the Selectmen need to ensure they are controlling their budget process and determine what they need from their departments and what they put before the budget committee. Any input can be valuable. In the end, it is the Selectmen who have to determine what they need to put together a budget for budget committee support and what they put in front of the voters. Carla asks if there is a waste of time, as Ed philosophically opposed, and encourages people to please speak up. Steve Higgins notes that he thinks we have enough information. Ed notes that the Selectmen should be prepared to defend or answer any of the questions the budget committee asks. Ed observes that the benefit of the process from the school side is that there is uniformity; the explanations are not as good. Ed encourages more uniformity from the Selectmen of the department heads. Carla notes that all departments were able to provide almost everything needed, with an exception.

A spirited discussion follows of departments where job analysis such as volume, processes and expenses with objective quantitative data would make the process more effective for the budget committee. The committee would like uniformity and consistency, an outline of new initiatives and objective support for each line item. The conclusion is that the tool would be the same, sheets would be uniform

Jim observes it would be beneficial for both the board and committees to agree on materials that both need and can agree they need. Carla asks if this can be before September. Jim indicates a willingness to try to work together. Jim notes a joint meeting to say what the committee would like generally of the four points that are needed. Carla notes that the committee can ask Ann to send this memo. Jim notes the simpler the better. Jim notes that in this way, he can give them the detail. He uses example of last few years of building permits, crime statistics, across all of them. Jim comments that the uniformity of the school board is notable and it would be nice if the fonts and other notes were similar. Carla – that is the point and addressing it. Jim example of the information and the format. Jim notes that we can provide more information and format uniformity. Carla observes that if we could start out with the last three years that would be great.

Judy Szot makes a motion that Ann send a memo requesting the information of the Selectmen as the BC discussed.

Carla clarifies this is a formal request for the wage line items including historical data, trend analysis etc.

Steve seconds.

Vote is taken and all vote in favor.

Motion carries.

Carla observes the committee formally request from the selectmen that we have their budgets in October. Carla observes the committee has not made a decision on whether we were going to request the School in October and the Town in September and consider working on both simultaneously. Jim asks if the school budget be done. Ed replies that they have not had any discussion of how our budget time line will change with SB2, but we have not prepared dates for that, as yet. School opens the Wed before Labor Day. The period between that to October 1 is an extremely compressed time frame. Ed notes he would find October 1 a difficult date to achieve with any meaningful result. Carl expresses the concern is that we will ask for the Town first again and they had to come up first last year and we want to be fair about this. Judy observes that maybe because of the contract negotiations the School is more complicated. Ed adds that the School would be a warrant article; Ed notes that we will only be budgeting the existing wages for the teachers as that will be done as a separate warrant article. If it follows historical patterns we will not have a contract by October 1. Ed provides an example that they will be preparing a budget without a contract. That has not impact on budget preparations. Ed notes he could argue school fiscal year starts later and we should be ready later.

Carla notes that to be fair the committee should be able to tell people what we want by August. Carla highlights that the town is used to October. Jim corrects it is November. Steve asks a question whether the Selectmen have spoken about moving the date up.

Ed adds that we all have to think about how we can get meetings in compressed time frames. Carla adds that the calendars only need to be filled in. Carla also notes that there is a potential meeting with the Selectmen. Jim shares that from the Selectmen point of view, we are expecting October 1. Jim asks if for the joint meeting would it be the Budget Committee hosting it, or the Selectmen hosting it? Carla indicates she is happy to invite them to come. I'd like to have this board have an agenda. Jim offers what if we take this information back; this memo gets in, and let's take one department, a model. Carla notes that Ed made a suggestion about a meeting with the Selectmen. Carla's question is what are we going to talk about? Ed adds that it is all the same team and comments that he thinks the Ann will prepare will open that door to re-enforce those items and help the budget process go more smoothly. Ed suggests calling it a "kick off of the budget season".

Carla offers that in July we are going to firm up when we are going to request these budgets. Carla leads that we will set budget dates in July. Carla instructs that the committee knows we will spend 4 meetings on each budget. Fill calendars in July. Carla asks why we don't invite the Selectmen to come in August. Ann – will make that invitation as part of the memo, starting the meeting at 7:00. Selectmen will come first as first item on the agenda. Carla adds that the committee was invited to a meeting May 21st roundtable. Kim went. Jim reports that a lot of the questions came back to the planning board. Jim adds it was an overall discussion on planning and zoning. Kim injects that there was nothing about dollars and cents. Kim adds that there were conversations about responsibility such as the Building Inspector, Fire Chief and Road Agent and no discussion of budget committee.

Ed introduces other business regarding the feasibility of having school deliberative session the same day as the town. Ann interjects this is probably very feasible. Ed observes it might be procedural and the example would be to run one meeting, recess, and then open the next.

Brenda Stevens makes a motion that the budget committee supports the recommendation that both the town and school deliberative sessions take place the same day.

Ann – seconds the motion.

Ann asks question about why can't one meeting end and the other

Ed observes that the meetings must be posted with period certain. Ed suggests have one open, and one recess with time certain accommodated. Ed explains that you start and recess immediately to wrap the meetings.

Kim observes another potential question of re-consideration of votes that has to be addressed. If the budget committee is open and receptive. Kim thinks DRA should be called and see if they have any advice. Ed notes that if it is not feasible, responsibility is with the school to schedule.

Vote is unanimous

Motion carries

Judy asks a question about the Blevins cleanup and if the property has been sold; Judy also asks if there lien on the property? Kim responds that one lot was sold, there are multiple lots. Jim notes that \$25,000.00 came back to us, but does not know if that was from the sale. Some of the sale was tied up in the courts. Jim will ask that exact question, noting we budgeted \$90,000.00. Jim thinks there was a lien on the property. Jim says that the town needs to recoup the difference between \$48,000.00 expended and \$25,000.00 recovered.

Business meeting discussions end at 9:00 PM

~Respectfully submitted, Kristina Ickes

Administrative discussion follows after end of business meeting.