

Town of Candia
Budget Committee Meeting
Approved Minutes
November 13, 2024
Town Hall Meeting Room

Lynn Civers called the meeting to order at 7:00pm

Attendees:

Lynn Civers, Chair

Brenda Coughlin

William Saffie

Susan Gill

Katrina Niles

Ryan Young (remote)

Susan Young (Selectman's Rep)

Lynn Chivers calls the meeting to order and starts with the Pledge of Allegiance. The chairperson notes that Rebecca is present to manage the Zoom connection for remote participants, including Ryan, who is acknowledged as being online.

The minutes from the last meeting are reviewed. One member expresses surprise at the depth of the discussion that was recorded, noting that important details were found in the lower sections of the minutes. There is a discussion about using AI to assist in minute-taking, with suggestions to tweak the format for clarity. Discussion is had with regard to the swapping of responsibilities between Katrina and Susan for upcoming meetings. The minutes are then reviewed for any corrections, specifically regarding the spelling of Tim D'Arcy's name, which is confirmed to include an apostrophe.

A motion is made to approve the minutes, which is seconded, and the group votes in favor, with a few abstentions noted. The chairperson reminds everyone to state their names during discussions for clarity.

Questions from the last meeting are addressed, starting with inquiries about the revolving fund related to highway projects. Jeff Wuebbolt explains that the block grant is the primary source of funding for the revolving fund, clarifying that it cannot be used for operating expenses like plowing.

The discussion shifts to the operating budget, with Jeff explaining the process for pitching projects to the selectmen for approval. The group also discusses subcontractor rates, with Jeff providing comparisons to state rates, indicating that their rates are competitive.

The conversation moves to the tax collector's recent raise, with Brenda Coughlin expressing concerns about the lack of transparency regarding how the amount was determined. It is noted that the selectmen approved the budget, which included the raise, but details on the latest increase are unclear.

The group discusses the library trust fund, with Carla Penfield providing an updated balance and explaining the interest accrued. The interest for the year is confirmed to be \$5,056, and there is a discussion about the market value of the investments, which is noted to be \$207,000.

Carla clarifies the difference between interest and appreciation in the context of the trust fund, emphasizing that the interest is the only part available for use, while appreciation reflects the potential value if investments were sold. The meeting continues with further inquiries about the fund's management and financial details. Discussion revolves around the potential for buying back stocks, with the implication that the price may exceed the original selling price. Interest is mentioned, specifically a figure of \$5,000, alongside appreciation if the stock value increases. A question arises about whether only the interest is accessible, leading to clarification that there is accumulated interest of \$20,000 available from the Smyth trustees. It is emphasized that neither the appreciated money nor the principal can be spent, only the accumulated interest is available for use.

The conversation shifts to the budget, with a focus on understanding the spreadsheet presented. A participant expresses confusion about how much money can be accessed if budget cuts are made. Clarification is provided that the money in the top section of the spreadsheet is not available for budget use, as it is designated for specific trusts. The interest available for the Smyth building is specified, and it is noted that the Moore Highway Fund can only be used for highway-related expenses.

The discussion continues with a focus on the Moore Highway Fund, where it is clarified that only the interest, amounting to \$32,000, can be accessed for projects. A hypothetical scenario is presented about cutting \$30,000 from a budget, but it is reiterated that the principal cannot be accessed. The interest can be used for small projects, and there is a strategy to leave some interest in the fund to grow the principal for future use.

The process of how funds are accessed for projects is explained, with checks being written to the town for reimbursement. The cemetery fund is discussed, highlighting that it is specifically for perpetual care, and the process for accessing funds is detailed.

The conversation touches on the complexities of calculating how much can be spent from the cemetery fund based on interest earned and the number of perpetual care lots.

The method for determining how much can be accessed from the cemetery fund is explained, involving dividing the interest earned by the number of lots. It is noted that the principal of the cemetery fund continues to grow, and there is a suggestion that an attorney could be consulted for potential adjustments to the fund's usage. A question is raised about the Ron Thomas fund, which was established for the Heritage Commission and is now being used for the Smyth Building.

The meeting transitions to discussing the Smyth Building budget, with a request for copies of the budget document, which everyone has in their document package. Discussion begins regarding the Smyth Building grant and maintenance budget. The total town building expenses have increased from \$28,000 to \$33,495, with a significant portion allocated for roof repair costing \$21,000. Questions arise about why these expenses are not covered by the available funds from the Byrd Memorial Fund and the Smyth Memorial Building Fund, which have a total of \$16,469 in interest. The committee plans to use the interest for a walkway project instead.

The walkway project is expected to cost around \$20,000 and will be made of brick and granite. The committee discusses the timing of the roof repair versus the walkway project, suggesting that it may be more prudent to prioritize the roof repair this year since it is the last year for that expense. Concerns are raised about the current state of the existing walkway, which is deteriorating and poses safety issues.

The meeting transitions to the overall budget discussion. The committee considers whether to review each section of the budget or focus on areas with significant increases.

Ambulance:

An 8% budget proposal is noted, prompting a detailed examination of various budget items, starting with the ambulance service. Discussion is had with regard to the administrative compliance officer's duties, which include scheduling and paperwork, separate from their on-call ambulance responsibilities. The officer does not handle billing but is involved in coordination and policy work, especially regarding AEDs in schools.

Animal Control:

The committee moves on to animal control, noting a step increase in the budget despite the absence of a current animal control officer. There is confusion about the necessity of the budget line item, given the lack of personnel.

Cemetery:

The cemetery budget is discussed, highlighting a proposed 4.5% increase. The committee clarifies that funds from the cemetery do not go directly to the cemetery but into the general fund, which complicates their operational budget. Concerns are raised about the general fund's management and the tendency to end the year with surplus funds that could affect tax rates.

The committee reviews various budget items, including direct assistance, election voter registration, and emergency management. The discussion touches on the heritage commission, which is no longer active, and transitions to the highway budget.

Highway:

The highway budget includes a revolving fund of \$125,000, with plans for projects such as road maintenance and improvements. The committee discusses the need for careful management of highway block grant funds, which are earmarked for specific projects, including a box culvert and road improvements. The highway budget reflects a 4.7% increase due to rising construction costs. The committee emphasizes the importance of utilizing every dollar effectively to maintain road quality.

Parks & Recreation:

The parks and recreation budget is reviewed, with a focus on necessary drainage work at the field house. The committee discusses the importance of this work to prevent flooding issues.

Police Department:

The police department budget is scrutinized, particularly the staffing levels and the proposed 16.5% increase. The current staffing includes a full-time chief and two full-time officers, with plans to bring on additional officers. The committee seeks clarity on the budget allocation for these positions and the overall staffing strategy. The police department's staffing situation is further clarified, with discussions about the timeline for new hires and their training at the academy. The committee expresses concerns about the budget increase despite the current staffing shortages and the need for effective management of police resources. There is discussion of the state police responding during overnight hours as well as whether mutual aid was available. The conversation shifts to staffing, with a focus on the police department. It is noted that additional officers will be coming through the academy, with a total of five full-time officers expected, including two new hires.

The officers will provide 24-hour coverage, and the budget for their wages is discussed. There is concern about the understaffing of the department until summer, despite a

proposed 16% budget increase. The timeline for new hires starting in January is mentioned, along with the challenges of getting them certified to perform certain duties.

The topic of signing bonuses for new hires is raised, with a suggestion that this should be included in the budget. The amounts for these bonuses are discussed, with figures ranging from \$3,500 to \$5,000, and the need to prorate these costs is acknowledged. The budget for testing and hiring is also reviewed, indicating that expenses are already exceeding initial estimates.

Other:

The conversation shifts to property appraisal, with a question about a 10% increase in costs. It is clarified that a recent revaluation was conducted, and concerns are raised about future market corrections affecting property values. The town's schedule for revaluation every five years is mentioned, along with the potential for reassessment if property values decline significantly.

Solid waste management is briefly discussed, with a noted increase of only 3% in costs. Street lighting and tax collector stipends are also mentioned, with a proposal to limit increases to 2.5%, resulting in a difference of about \$1,400. The town building expenses, particularly regarding the Smyth Building, are brought up, with questions about the possibility of using trust funds for expenses.

The discussion continues about the town building expenses, specifically regarding maintenance and the need for a new door, which is quoted at \$8,000. There is confusion about the budget lines and the allocation of funds for maintenance. The need for a purchasing policy is highlighted, with concerns about whether multiple quotes were obtained for the door replacement.

The town clerk's budget is reviewed, with a noted increase in expenses for the town treasurer due to stipends. The welfare department's budget is also discussed, with a mention of a stipend request. The overall budget is examined, with a focus on the bottom line and the need to consider cuts to bring the budget closer to a 3% increase rather than the proposed 8%.

A proposal is made to identify specific cuts to achieve a lower budget increase. The discussion includes the challenges of comparing budgets year over year, especially with changes in the police and fire department pay structures. The need for a realistic approach to budget cuts is emphasized, with a focus on the impact of state retirement contributions on the overall budget.

The current state retirement rate is mentioned, with a comparison to previous years. The conversation concludes with a review of the budget increase and the implications of rising costs on various departments.

The discussion begins with a mention of a percentage increase, but one participant states they do not have any change or knowledge about the previous rates. Questions arise about the reasons behind the retirement increase, with one participant confirming that the percentage did indeed go up.

Brenda Coughlin suggests reducing the proposed 8% increase to a 3% increase, which would effectively cut 5%. One participant expresses concern that this might be too much, emphasizing the need for responsible budgeting without significant increases. The conversation shifts to the impact on the budget, with a mention of a million-dollar addition to the budget, although some of these costs are similar to last year's figures.

A motion is proposed to cut \$39,000 from the police department budget as a starting point. The motion is seconded, and a discussion ensues about the implications of cutting the budget, especially considering the recent hiring of a new police chief. One participant argues that cutting the budget would hinder the chief's ability to hire good personnel and rebuild the department, which had previously fallen apart.

Ryan Young raises a point about a \$100,000 increase in the fire department budget due to wage changes, which are beyond their control. He emphasizes that if they aim to cut \$200,000, they should consider that a significant portion of the increase is unavoidable. The discussion continues with a focus on the police department's budget and the potential impact of the proposed cuts.

Another participant mentions that the police department will not be fully operational until spring, suggesting that the proposed \$39,000 cut might be manageable within the context of the overall budget. The conversation shifts to the specifics of the police budget, including the percentage increase and the total budget amount, which is around \$800,000.

A question arises about the default budget, with participants noting that they do not have the figures yet. The default budget is expected to be based on last year's budget with adjustments for contractual obligations. The discussion highlights the uncertainty surrounding the budget and the need for further clarification before making final decisions.

A vote is taken on the motion to reduce the police department budget by \$39,000. Several participants vote in favor, while others oppose the motion, leading to a split decision. The conversation then shifts to the possibility of making additional motions to address budget cuts in other areas.

One participant suggests specific cuts in the solid waste budget and the Smyth building budget, proposing a total reduction of \$36,000. The discussion touches on the implications of these cuts and the potential impact on ongoing projects, such as the walkway.

The conversation continues with concerns about fairness in budget cuts across different departments. One participant argues that taking a significant cut from one department while only reducing others by a small percentage is unfair. The need for a balanced approach to budget cuts is emphasized.

Ryan Young discusses the police budget again, questioning the significant increase in wages for full-time officers. He seeks clarification on whether the increase is due to plans for a larger department in the future or if it reflects previous underfunding. The discussion highlights the complexities of budgeting for personnel and the need for careful consideration of future staffing levels.

The conversation shifts back to the overall budget, with participants discussing the possibility of approving the budget with a percentage cut across the board. There is a consensus that a fair approach is necessary, and participants express concerns about the implications of significant cuts on essential services and projects.

The discussion concludes with a recognition of the challenges in balancing the budget, particularly in light of the school budget and its potential impact on the town's finances. Participants express a desire to find a solution that addresses the needs of all departments while remaining fiscally responsible.

A suggestion is made to preliminarily approve the budget. There is a proposal to approve it with a percentage cut to encourage departments to consider potential reductions in case the school budget does not meet expectations. The conversation reveals that the school budget increase is approximately 8.5%.

A motion is awaited, and one participant suggests that the police department could be asked to cut their budget by three to four percent, allowing them to decide where to make cuts. This approach is proposed for other departments as well, particularly where expenses have significantly increased. The idea is supported, with the intention to focus on the school budget while encouraging overall reductions. Concerns are raised about misleading citizens regarding the budget approval process, especially if it is perceived that an eight percent increase has been approved.

A proposal is made to establish a percentage or dollar amount for cuts that is not excessively high, allowing departments the autonomy to decide where to implement reductions. There is discussion about whether the town has previously allowed departments to determine their own cuts, with some participants recalling that they usually provide specific recommendations.

The conversation shifts to the possibility of voting on a preliminary budget with a specified percentage or dollar amount for cuts, allowing departments to adjust accordingly. A suggestion is made to hold departments to a five percent increase instead of eight percent, acknowledging legitimate cost drivers while encouraging a three percent cut to achieve this overall reduction.

One participant raises a concern about the implications of budget cuts across departments, particularly regarding wages in the fire department, which may not be flexible enough to accommodate cuts. The discussion touches on the default budget scenario, questioning whether wages would be covered under such a budget. It is clarified that without a bargaining agreement, the default budget would reflect last year's figures.

A participant expresses concern about the feasibility of meeting budget requirements if the default budget is enacted, citing inherited hourly rates as a complicating factor. The relationship between the operating budget and the default budget is discussed, noting that closer alignment between the two increases the likelihood of the operating budget being approved.

Susan Gill makes a motion to change the total budget to \$4,166,069.00 which is a 5% increase. Katrina Niles seconds the motion and discussion ensues. After discussion the Board votes 5 in favor, one against and one abstention.

The conversation concludes with a reminder that the town can decide where to make cuts, and the potential for the school budget to be affected is acknowledged.

A motion is made by Katrina Niles adjourn the meeting and William Saffie seconds. Everyone votes in favor of adjourning.

Respectfully submitted,

Katrina Niles