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**Minutes of the  
Litchfield Budget Committee  
Meeting  
Held on November 17, 2011**

The Litchfield Budget Committee held a meeting on Thursday, November 17, 2011 at Campbell High School, 1 Highlander Court, Litchfield, NH 03052.

**PRESENT:** J Harte (Chairman), M Falzone (Vice Chairman), B Spencer, R Peeples, C Pascucci, T Finnegan, J York (School Board Representative), B Lemire (Board of Selectmen Representative)

Mr. Harte called the meeting to order at 7:00 p.m.

**1. PUBLIC INPUT**

There was none.

**2. MINUTES**

There were no minutes for approval.

**3. TOWN BUSINESS**

Mr. Spencer stated he would like to re-open the default budget to discuss Highway Block Grant money. Mr. Hoch responded, handing out historical information on the use of Highway Block Grant money in Litchfield and he proceeded to go through the process and accounting issues which have come up in recent years.

Mr. Spencer noted the audit report was correct and some of the Highway Block Grant money could have been spent on things in the operating budget. There followed a discussion with Mr. Hoch who explained how the Highway Block Grant money has been handled to balance the money in the restricted fund. He reported the Board of Selectmen is proposing an advisory warrant article to eliminate the need to balance revenues each year.

Mr. Spencer proposed using some of the Highway Block Grant money to fund operating costs due to some expensive items in the budget such as the hydrants. Mr. Hoch explained that would be a change in policy as until now the policy has been to use all of it for road projects.

Mr. Finnegan asked some questions about the grant money for information and there followed a discussion on the mechanics of the process.

There was also a discussion for Mr. Finnegan's benefit with respect to what is included in the default budget, and Mr. Hoch clarified what he intends to put in the

1 default. Mr. Lemire reported other communities include Highway Block Grant in  
 2 the default, and there was a discussion on how Highway Block Grant funds can and  
 3 should be handled. Mr. Spencer was unsure whether it was a legitimate addition to  
 4 the default this year. Mr. Lemire stated the Board of Selectmen and Town  
 5 Administrator will look into the matter when preparing the default to ensure it is  
 6 handled in the proper fashion. There was further discussion for clarification.

7  
 8 **a) Review of Town Budgets**

9 Mr. Lemire deferred to Mr. Hoch who stated account 4199.10, Contingency had  
 10 already been reviewed by the Committee but not yet voted upon.

11  
 12 **b) Vote on Town Budgets**

13 **Account 4220.10 – Fire Administration**

14 **MOTION:** by Mr. Lemire

15 ***Move to approve a bottom line of \$43,934 for account 4220.10, Fire***  
 16 ***Administration in the 2012 Operating Budget***

17 **SECOND:** Mr. Falzone

18  
 19 **MOTION:** by Mr. Peeples

20 ***Move to reduce line 302, Contracted Secretarial Services to \$1,550 for account***  
 21 ***4220.10, Fire Administration in the 2012 Operating Budget***

22 **SECOND:** Mr. Falzone

23 Mr. Peeples provided his rationale, stating this line has historically been under  
 24 spent and he has halved the amount. Mr. Spencer supported the rationale.

25 **VOTE:** 7-1-0 (Mr. Lemire opposed the motion)

26 **The motion carried.**

27  
 28 **MOTION:** by Mr. Peeples

29 ***Move to reduce line 740, Computer Equipment Purchase to \$3,000 for account***  
 30 ***4220.10, Fire Administration in the 2012 Operating Budget***

31 **SECOND:** Mr. Falzone

32 ***Discussion:***

33 Mr. Peeples stated he had used a similar rationale as for the last motion but the  
 34 amount leaves some money in the line. Mr. Harte requested an update from  
 35 Selectman Brunelle who reported he had not yet heard back from the Fire Chief.  
 36 He went on to provide details of known items which are included in this line as  
 37 expenses for 2012. Mr. Spencer initiated a discussion about items which had  
 38 been scheduled for this year but have not yet been purchased.

39 **VOTE:** 7-0-1 (Mr. Lemire opposed the motion)

40 **The motion carried.**

41  
 42 ***VOTE on a new bottom line of \$41,364 for account 4220.10, Fire***

43 ***Administration in the 2012 Operating Budget:*** 7-1-0 (Mr. Lemire opposed the  
 44 motion)

45 **The motion carried.**

46

1 **Account 4220.20 Fire Fighting**

2 **MOTION:** by Mr. Lemire

3 *Move to approve a bottom line of \$328,927 for account 4220.20, Fire Fighting*  
4 *in the 2012 Operating Budget*

5 **SECOND:** Mr. Falzone

6  
7 **MOTION:** by Mr. Spencer

8 *Move to reduce line 125, Wages, Call Firefighters to \$58,000 for account*  
9 *4220.20, Fire Fighting in the 2012 Operating Budget*

10 **SECOND:** Mr. Finnegan

11 Mr. Spencer provided his rationale, stating he subtracted the money for the Chief  
12 and money they are not going to spend, and looked at historical call wages.

13 **VOTE:** 7-1-0 (Mr. Lemire opposed the motion)

14 **The motion carried.**

15  
16 **MOTION:** by Mr. Spencer

17 *Move to reduce line 140, Overtime, Firefighter to \$9,000 for account 4220.20,*  
18 *Fire Fighting in the 2012 Operating Budget*

19 **SECOND:** Mr. Peeples

20 Mr. Spencer provided his rationale, stating he had looked at the 2010 actual and  
21 YTD actual which does not support the budgeted amount, and he was basing his  
22 reduction on historical figures. In response to Mr. Spencer's point that he did not  
23 fully understand how the figure had been developed Mr. Hoch provided  
24 clarification and there followed discussion on this. Mr. Lemire requested the  
25 Committee not reduce the figure by that much.

26  
27 **MOTION:** by Mr. Harte

28 *Move to amend the motion to reduce line 140, Overtime, Firefighter to \$11,000*

29 **SECOND:** Mr. Falzone

30 Mr. Harte stated this was based upon the five year average, and there followed  
31 discussion for clarification. Mr. York asked the Budget Committee to keep in  
32 mind there will be different oversight to whole process when the new Fire Chief is  
33 appointed. Mr. Lemire confirmed there were issues which he could not articulate  
34 and requested the Board of Selectmen and Fire Chief be allowed the flexibility to  
35 deal with them. Mr. York also pointed out that it would be problematic if it were  
36 determined by the new Chief that the firefighters require training and there is  
37 insufficient funds available.

38 **VOTE:** 3-5-0 (Messrs. Harte, Falzone and Pascucci voted in favor of the motion)

39 **The motion failed.**

40  
41 **VOTE on the motion on the floor:** 5-3-0 (Messrs. Lemire, York and Harte  
42 opposed the motion)

43 **The motion carried.**

44  
45  
46

1 **MOTION:** by Mr. Finnegan

2 *Move to reduce line 636, Diesel Fuel to \$10,000 for account 4220.20, Fire*  
3 *Fighting in the 2012 Operating Budget*

4 **SECOND:** Mr. Spencer

5 Mr. Spencer provided his rationale, stating his motion is based on YTD usage,  
6 historical figures, plus contingency. Mr. Hoch reiterated he would review the  
7 base rate for diesel, cautioning the Committee that he has not yet performed an  
8 invoice check. There followed a discussion about the cost per gallon YTD and  
9 the three year average. Mr. Peeples pointed out the Town is refunded the cost of  
10 the tax on the rate and Mr. Harte requested Mr. Hoch come back with  
11 recommendations after his review whether or not the Committee reduces the line.

12 **VOTE:** 7-1-0 (Mr. Lemire opposed the motion)

13 **The motion carried.**

14  
15 **VOTE on a new bottom of \$307,101 for account 4220.20, Fire Fighting in the**  
16 **2012 Operating Budget: 7-1-0 (Mr. Lemire opposed the motion)**

17 **The motion carried.**

18  
19 **Account 4220.30 – Fire Prevention**

20 **MOTION:** by Mr. Lemire

21 *Move to approve a bottom line of \$1,000 for account 4220.30, Fire Prevention*  
22 *in the 2012 Operating Budget*

23 **SECOND:** Mr. Peeples

24 **VOTE:** 8-0-0

25 **The motion carried unanimously.**

26  
27 **Account 4220.40 – Fire Training**

28 **MOTION:** by Mr. Lemire

29 *Move to approve a bottom line of \$41,966 for account 4220.40, Fire Training in*  
30 *the 2012 Operating Budget*

31 **SECOND:** Mr. Falzone

32 Mr. Hoch requested the Committee not cut this as there has not been much  
33 training completed this year, and Mr. Lemire agreed with him.

34 **VOTE:** 8-0-0

35 **The motion carried unanimously.**

36  
37 **Account 4220.50 – Fire Communications**

38 **MOTION:** by Mr. Lemire

39 *Move to approve a bottom line of \$17,600 for account 4220.50, Fire*  
40 *Communication in the 2012 Operating Budget*

41 **SECOND:** Mr. Falzone

42 Clarification was given that training is all on call.

43 **VOTE:** 8-0-0

44 **The motion carried unanimously.**

45  
46

1 **Account 4220.60 – Fire Repair**

2 **MOTION:** by Mr. Lemire

3 *Move to approve a bottom line of \$51,950 for account 4220.60, Fire Repair in*  
4 *the 2012 Operating Budget*

5 **SECOND:** Mr. Falzone

6 **VOTE:** 8-0-0

7 **The motion carried unanimously.**

8  
9 **Account 4220.70 – Medical Services**

10 **MOTION:** by Mr. Lemire

11 *Move to approve a bottom line of \$10,700 for account 4220.70, Medical*  
12 *Services in the 2012 Operating Budget*

13 **SECOND:** Mr. Falzone

14 **VOTE:** 8-0-0

15 **The motion carried unanimously.**

16  
17 **Account 4220.80 – Fire Station**

18 **MOTION:** by Mr. Lemire

19 *Move to approve a bottom line of \$16,000 for account 4220.80, Fire Station in*  
20 *the 2012 Operating Budget*

21 **SECOND:** Mr. Finnegan

22 In response to a query from Mr. Peeples, Mr. Hoch confirmed the heating has  
23 been replaced with propane gas. There followed a discussion with respect to  
24 possible savings as a result of the changeover.

25 **VOTE:** 8-0-0

26 **The motion carried unanimously.**

27  
28 **Account 4220.85 – Incident & Fire Investigations**

29 Mr. Lemire reported there was no need to vote on this account as the bottom line  
30 is zero.

31  
32 **Account 4290.10 – Emergency Management**

33 **MOTION:** by Mr. Lemire

34 *Move to approve a bottom line of \$8,744 for account 4290.10, Emergency*  
35 *Management in the 2012 Operating Budget*

36 **SECOND:** Mr. Falzone

37 **VOTE:** 8-0-0

38 **The motion carried unanimously.**

39  
40 **Account 4155 – Personnel Administration**

41 **MOTION:** by Mr. Lemire

42 *Move to approve a bottom line of \$400,558 for account 4155, Personnel*  
43 *Administration in the 2012 Operating Budget*

44 **SECOND:** Mr. Falzone

1 Mr. Hoch reported he will have to review this account due to changes the Budget  
2 Committee made to wages throughout the budget which will affect benefits and  
3 taxes.

4 **VOTE:** 8-0-0

5 **The motion carried unanimously.**

6  
7 **Account 4199 – Contingency**

8 **MOTION:** by Mr. Lemire

9 *Move to approve a bottom line of \$33,000 for account 4199, Contingency in the*  
10 *2012 Operating Budget*

11 **SECOND:** Mr. Falzone

12 **VOTE:** 7-1-0 (Mr. Finnegan opposed the motion)

13 **The motion carried.**

14  
15 It was confirmed there was a new bottom line of \$5,129,195 with an overall  
16 reduction of \$92,204 for the operating budget at this point.

17  
18 **MOTION:** by Mr. Spencer

19 *Move to reopen account 01-4312.10 Highway Road Maintenance*

20 **SECOND:** Mr. Finnegan

21 **VOTE:** 6-1-1 (Mr. Lemire opposed the motion and Mr. York abstained)

22 **The motion carried.**

23  
24 **Discussion:**

25 Mr. Spencer talked about the cost of redoing the culvert and asked Mr. Hoch  
26 about the figure of \$187,000 in the budget. Mr. Hoch reported the Board of  
27 Selectmen intends to use some additional money from the block grant money  
28 restricted fund and there followed a discussion.

29  
30 **MOTION:** by Mr. Spencer

31 *Move to reduce line item 730, Highway Block Grant Road Improvement*  
32 *Projects to \$126,417 for account 4312.10 Highway Road Maintenance in the*  
33 *2012 Operating Budget*

34 **SECOND:** Mr. Finnegan

35 Mr. Spencer explained he wanted a piece of the Highway Block Grant money to  
36 be allocated to some operating costs and he provided details. He recommended  
37 going to the voters for a \$27,000 appropriation and to make up the rest from the  
38 Highway Block Grant money.

39  
40 **Discussion:**

41 It was pointed out this would be taking maintenance of roads out of the control of  
42 the Board of Selectmen and the Road Agent. Mr. Spencer stressed an advisory  
43 warrant article would give flexibility. There was some discussion and Mr. Lemire  
44 pointed out this would be forcing the Board of Selectmen to spend on certain  
45 accounts. Mr. Pascucci stated he was against the motion as he would prefer to  
46 sell the budget as is or go through and make reductions. There was more

1 discussion about options to pay for road work. Mr. Harte read the warrant article  
 2 for the Highway Block Grant for Mr. Finnegan, and there followed a discussion  
 3 on the purpose of the money.

4 **VOTE:** 3-5-0 (Messrs. Spencer, Finnegan, and Peeples voted in favor of the  
 5 motion)

6 **The motion failed.**

7  
 8 **MOTION:** by Mr. Spencer

9 *Move to reopen account 01-4312.20, Road Maintenance*

10 **SECOND:** Mr. Peeples

11 **VOTE:** 6-2-0 (Messrs. York and Lemire opposed the motion)

12 **The motion carried.**

13  
 14 **MOTION:** by Mr. Spencer

15 *Move to reduce line item 575, Road Maintenance/Improvement to zero for*  
 16 *account 4312.20, Road Maintenance in the 2012 Operating Budget*

17 **SECOND:** Mr. Peeples (for discussion)

18 **Discussion:**

19 There followed discussion in which Mr. York queried what the difference was  
 20 between last year's budget and this year's with the addition of the Highway Block  
 21 Grant money. Mr. Hoch reported there was approximately a 4.25% increase  
 22 (\$190,000 approximately). He pointed out the Board of Selectmen has also asked  
 23 him to look at the Budget Committee's budget and bring further reductions. He  
 24 also responded to Mr. Spencer, stating estimated revenues are expected to be flat.  
 25 There was further discussion between Messrs. York and Pascucci. Mr. Lemire  
 26 asked the chairman to move the question.

27 **VOTE:** 8-0-0

28 **The motion carried unanimously.**

29  
 30 **VOTE on the amended bottom line of \$290,714 for account 4312.20, Road**  
 31 **Maintenance:** 4-4-0 (Messrs. York, Harte, Lemire and Falzone opposed the  
 32 motion)

33 **The motion failed.**

34  
 35 Mr. Harte stated he did not recommend voting the Operating Budget bottom line  
 36 until Mr. Hoch's updates have been received. Following discussion with respect  
 37 to when the Committee might expect these, Mr. Harte suggested voting during the  
 38 last week in December.

39  
 40 The Committee discussed the dates for the rest of the Town budget. Mr. Lemire  
 41 offered to obtain warrant articles earlier for the Committee. Mr. Harte agreed to  
 42 send his spreadsheet to Mr. Hoch for comparison with his figures.

43 **Action:** *Mr. Harte*

44  
 45 **4. SCHOOL BUSINESS**

46 Mr. York reported as follows:

- 1 • The School Board approved \$20,236,079 as a bottom line budget, an electronic
- 2 copy of which should be available through the Committee's log in by end of day
- 3 tomorrow via the school web site. Hard copies will be available by end of day on
- 4 Monday.
- 5 • The new School District / Budget Committee schedule and presentations.
- 6 • The School Board started discussing warrant articles last night.
- 7 • An explanation was given of the breakout in the Operating budget of salaries and
- 8 benefits.
- 9 • Mr. Miller will attend next week in Mr. York's place.

10  
11 Mr. Harte discussed additional changes to the schedule, and there was also a  
12 discussion about posting the hearing notice in the papers.

#### 13 14 **6. MEMBER INPUT**

15 The following was reported:

- 16 • Selectman Brunelle will be filling in for Mr. Lemire during the month of
- 17 December
- 18 • Mr. Harte will be away on business November 29<sup>th</sup> and December 6th
- 19 • Mr. Falzone will also be unavailable on November 29th
- 20 • Mr. Spencer will be acting chairman on the dates Mr. Harte is unavailable

21  
22 Mr. Pascucci followed up on a conversation from the last meeting with respect to the  
23 state of the economy, and Messrs. York and Peeples responded.

24  
25 It was reported that the Board of Selectmen has just begun working on warrant  
26 articles.

27  
28 Mr. Spencer clarified the Budget Committee's position on Town technology for the  
29 benefit of the Board of Selectmen and there followed some discussion on the topic.

#### 30 31 **7. PUBLIC INPUT**

32 There was none.

- 33  
34 • **Upcoming meetings**
- 35 ○ November 22, 2011

36  
37 **MOTION:** by Mr. Falzone

38 *Move to adjourn.*

39 **SECOND:** Mr. Lemire

40 **VOTE:** 8-0-0

41 **The motion carried unanimously.**

42  
43 There being no further business, the meeting adjourned at 10:05 p.m.

44  
45 **Minutes by:** *Sandra Maxwell (Recording Secretary)*

46 **Date approved:** **December 1, 2011**