

1 **Minutes of the**

2
3 **Litchfield Budget Committee Hearing**

4
5 **Held on January 13, 2011**

6
7 The Litchfield Budget Committee held a Public Hearing on Thursday, January 13, 2011,
8 at Campbell High School, 1 Highlander Court, Litchfield, NH 03052.

9
10 **PRESENT:**

11 **Budget Committee:** J Harte (Chairman), M Falzone (Vice Chairman), B Spencer,
12 R Peeples, P Parker, E Miller, F Byron (Board of Selectmen Representative), J York
13 (School Board Representative)

14
15 **ALSO PRESENT:**

16 **Board of Selectmen:** G Lambert, P Jewett, J Brunelle, J Hoch (Town Administrator)

17
18 **School Board & Administrative Staff:** D Miller (Chairman), C Couture (Vice Chair)
19 who arrived at 7:03 p.m., M Prindle,) J Guerrette, Dr. E Cutler, S Martin, M Flynn

20
21 **NOTE:** *Please refer to the presentation materials which can be found on the Town*
22 *web site for specific figures and information presented during the hearing.*

23
24 **1. School District Budget Presentation:**

25 Mr. Harte opened the Budget Hearing at 7:02 p.m. He provided an introduction,
26 outlined the agenda for the hearing, and thanked everyone for attending. He also
27 reported on the budget process and the purpose of the process, and reminded
28 everyone of the dates and times of the Town and School Deliberative sessions. He
29 then introduced members of the Budget Committee and handed over to Mr. Miller
30 who introduced members of the School Board.

31
32 Mr. Harte informed everyone that the Budget Committee had held joint meetings
33 with the School Board and the Board of Selectmen, explaining the purpose of these
34 meetings as well as how the Budget Committee had proceeded through the 2011
35 budget process.

36
37 **a) School Operating Budget Presentation**

38 Mr. Harte applauded everyone involved in the process for their efforts, and he
39 talked about the fact that the Budget Committee has agreed on a goal which was
40 to present voters with a budget that resulted in no greater than a 3% tax increase.
41 Other high points of Mr. Harte's presentation included the following:

- 42
- 43 • A net reduction of 5% in the School budget for 2011/12
 - 44 • Ways in which the School Board and the Budget Committee had offset the
45 loss of state education funding
 - Details of major changes which were made to the School Budget

- 1 • A fiscally sound proposal for a 3-Year computer lease of 100 systems at
2 \$33,000 per year which had been presented to the Budget Committee later in
3 the process
- 4 • Major reductions made by the School Board and additional reductions made
5 by the Budget Committee, noting the Budget Committee's reductions were
6 based on historical trends
- 7 • A breakdown of the Dollar amount of reductions per budget location
- 8 • A breakdown of the reductions at each school as well as those which were
9 district wide. He pointed out the School Board does not currently know
10 which teachers or subjects will be cut
- 11 • Details of other major increases and decreases
- 12 • A summary of the School budget by Object (i.e. salaries, benefits etc.)

13
14 Mr. Harte then opened the meeting up for questions and input from the floor.

15
16 ***Public input:***

17 G. Lambert (Board of Selectmen) of 3 Lydston Lane asked how many of the
18 reductions were ongoing versus as a result of one time expenditures from last
19 year, and Mr. Harte referred to a previous slide which showed one time building
20 repairs and other one time repairs and maintenance amounting to almost
21 \$100,000. He explained the total including impact fees was around \$143,000.

22
23 R. Boehm, State Representative of 6 Gibson Drive provided a summary of bills
24 currently being discussed in the House relating to education, and pointed out his
25 fellow representatives were working hard to fix the loss of education funding to
26 Litchfield and other towns.

27
28 Mr. Lambert reported the House majority leader had given a press conference in
29 which it was pointed out they are working in Concord to fix the adequate
30 education definition.

31
32 ***b) Warrant Article Presentations***

33 Mr. Harte read each of the warrant articles for the record and highlighting the tax
34 rate impact of each.

35 *Article 1* – Jason Guerrette (School Board member), 11 Perry Court asked what
36 impact would be on the tax rate based on the default budget and was informed no-
37 one present was aware of this at this time.

38
39 *Article 2* – Mr. Harte pointed out all employees had not received a COLA in the
40 previous year as 15 – 20% of non-union employees were at the top of their step.
41 He also pointed out the School Board felt this should be a separate warrant article.

42
43 Mr. Guerrette clarified that other staff (i.e. those not at the top of their step) had
44 received step raises. Mr. Martin confirmed for Mr. Spencer that the School
45 District has a step schedule for those who received step increases.

1 Mr. Harte reviewed the School District's revenue expectations, pointing out they
2 are estimating a total additional loss for 2011/12 of \$1,730,384. Mr. Miller
3 confirmed for Mr. Spencer that the proposed increased fees were included in the
4 revenue figures, and he reported the School Board plans to account for and make
5 up for the loss.
6

7 **c) Public Input**

8 There was no public input at this time.
9

10 **2. Brief Intermission**

11 Mr. Harte announced a brief intermission at 7:32 p.m., calling the meeting to order
12 again at 7:45 p.m. He handed over to Mr. Byron to introduce members of the Board
13 of Selectman.
14

15 **3. Town Budget Presentation:**

16 **a) Operating Budget Presentation**

17 Mr. Harte explained the budget process which the Committee had the Town had
18 gone through, as well as providing information relative to the joint meeting with
19 the Board of Selectmen. He mentioned that the new Town Administrator, Mr.
20 Hoch, had come back at the end of the process with additional reductions as it had
21 been agreed that some of the 2011 budgeted work could be done using money left
22 over in 2010. Other high points of Mr. Harte's presentation included the
23 following:

- 24 • Areas of increases and decreases. It was pointed out some of the increases
25 are due to items voted in from warrant articles last year.
- 26 • An overview of public safety increases and decreases. Police Department
27 increases are due to the new officer, and health care and overtime. Costs in
28 the Ambulance have gone up due to an increase in charges from Hudson.
- 29 • Notable areas within general government, including a \$106,000 reduction due
30 to Assessing services and an explanation that the increase in Budget
31 Committee secretarial services will align the Recording Secretary with others
32 in different departments
- 33 • Notable changes in Sanitation, Highway & Streets and Culture and
34 Recreation
- 35 • Details of the increases and decreases by Object

36 Mr. Harte then opened the meeting up for questions and input from the floor.
37

38 **Public input/questions:**

39 Responding to a query from Kathleen Falls, Mr. Hoch provided an explanation
40 relative to dues and subscriptions for membership of the LGA and NH Municipal
41 Association and Mr. Byron explained what benefits the Town derives from these
42 memberships. There was also a discussion with Ms. Falls led by Mr. Byron in
43 support of the Tax Collector attending a state tax collectors conference, and Mr.
44 Lambert also spoke in support of this.
45

1 Ms. Falls also questioned the mileage on police cruisers at the time they are
2 replaced and Mr. Lambert provided information relative to the rotating schedule
3 of replacement for police vehicles. He also pointed out there has been a reduction
4 overall in the cost of these, pointing out that models have changed.
5

6 Ms. Hall then asked why there is a warrant article for a COLA increase for one lot
7 of staff within the School District, but not for everyone and Mr. Harte explained
8 the Budget Committee had felt a COLA adjustment should be in a separate
9 warrant article and the reason behind the School Board's decision to ask for this.
10 There followed a discussion relative to the decision by the Board of Selectmen to
11 give a staff increase in 2010 from funds within in the budget with input from
12 members of the Budget Committee and Mr. Guerrette also voiced his concern
13 relative to this decision by the Board when residents had voted not to support staff
14 increases at that time. Mr. Byron pointed out the Board of Selectmen had voted
15 that there will be no COLA increases for Town staff in 2011, and that these
16 employees had also not received a COLA payment in 2009. Mr. Guerrette
17 requested the Boards not to give away money for non-emergency things.
18

19 In response to queries from Ms. Hall relative to specific budget line items,
20 Messrs. Hoch and Byron responded as follows:

- 21 • Police department furniture is being replaced as it is worn out.
- 22 • Police dispatchers are provided a uniform allowance under the police union
23 contract and the allowance also covers laundering of the uniforms.
24

25 **b) *Warrant Article Presentations***

26 Mr. Harte read each warrant article for the Town pointing out any estimated
27 impact in tax rate and providing additional background information by way of
28 explanation. ***(Please see the Town's web site for details of the wording of each***
29 ***warrant article, and information presented by Mr. Harte.)***
30

31 *Article 2: Town operating budget*
32

33 *Article 3: Police union increases for 2011 through 2013. Mr. Harte explained the*
34 *Budget Committee had not yet taken a vote whether to recommend this article to*
35 *the voters as the members had requested a copy of the contract to review in detail.*
36

37 *Article 4: A request to include acceptance of the NHDOT Highway Block Grant*
38 *funds in the Town operating budget each year*
39

40 *Article 5: To see whether the Town should enter into a contract with Pennichuck*
41 *East Utilities to assume responsibility for fire protection charges for water system*
42 *users. Mr. Harte explained that 58% of the Town is currently paying a monthly*
43 *fee to Pennichuck, but that those with wells do not pay the fee.*

44 Chris Pascucci, 12 Colonial Drive asked for clarification on this issue, asking
45 what the benefit of voting for this article would be. In response, Mr. Lambert

1 explained the residents had voted last year to give the Board permission to look
2 into this matter and he provided some historical information for clarification
3 relative to the situation Litchfield was now in with Pennichuck. It was pointed
4 out that everyone benefits from fire protection and some areas of the community
5 are paying an unfair amount and the responsibility of paying this fee moving to
6 the Town would make the situation fairer. There was a brief discussion on the
7 change with Mr. Spencer arguing the benefit is not equal and the switch from a
8 user fee to a tax fee is irrelevant to fire protection. Mr. Pascucci suggested the
9 wording of the article did not adequately explain what they had been discussing
10 and requested that the explanation of the article should make it clearer for the
11 benefit of voters at the Deliberative Session that the fee will be based on the value
12 of each property. There was further discussion for the benefit of the public during
13 which the impact of the contract was explained as well as the restrictions placed
14 upon the Town by the PUC. There was also a discussion relative to whether the
15 cost to the Town would be likely to increase.

16
17 In response to Mr. Spencer's question as to what would happen if the article
18 passes, Mr. Lambert explained the tariff will not be suspended, only the method
19 of paying. Mr. Byron stated he would find out what the published tariff is from
20 counsel.

21
22 *Article 6:* A request to deposit 50% of revenues collected when a property is
23 removed from current use into the Conservation and Land Acquisition Fund. It
24 was clarified that the other 50% would be put into the General Fund and used to
25 offset tax appropriations or left for unanticipated needs.

26
27 *Article 7:* To create an expendable trust fund and to raise and appropriate funds
28 from unexpended fund balance on December 31, 2010 for placing in the fund, for
29 the purpose covering the Town's liability with respect to accrued vacation time.
30 It was clarified for Mr. Lambert that the intent was not for vacation buyback.

31
32 Mr. Byron reported there are two other warrant articles which recently came in as
33 petition articles.

34
35 Mr. Harte reported on what the 2011 expected revenues would be for the Town
36 and the differences between 2010 and 2011. He pointed out revenues are
37 expected to be approximately \$65,825 less primarily as a result of the decreases
38 due to the weak economy and a one off revenue in 2010 for the bike path. He
39 also explained the estimated Town tax rate increase would be \$3.42/thousand and
40 the overall tax rate increase when the school, state and county taxes are added in
41 (5.08% increase overall).

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43 Mr. Byron presented the petition warrant articles for the Town as follows (reading
44 each for the benefit of viewers and those attending the hearing.
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Article 8: A request to see if the Town will adopt the statute that allows the governing body to appoint a Fire Chief

Article 9: To see whether the Town will adopt to accept a change to how Town Treasurer is appointed, (by the Board of Selectmen rather than by election) as supported by the relevant statute.

There being no further questions or input from members of the public, Mr. Harte closed the hearing at 8:57 p.m., reminding everyone of the dates and times of the deliberative sessions and thanking everyone for attending.

Minutes by: *Sandra Maxwell, Recording Secretary*

Date approved:

