

1 **MOTION:** by Mr. Peeples

2 *Move to approve the minutes of February 6, 2013 and February 12, 2013 as written*

3 **SECOND:** by Mr. Pascucci

4 **VOTE: 5-0-3, with Mr. Vaillancourt, Mr. Brunelle and Mr. York abstaining**

5 **The motion carried.**

6
7 **5. TOWN BUSINESS**

8 Mr. Brunelle reported that the Board of Selectmen are busy with the Fall budget and
9 allocating default budget lines. He reported that the town is moving forward with the
10 purchase of two police cruisers, which have been ordered, delivered and are being outfitted.
11 Mr. Brunelle reported that the town has hired new legal counsel.

12
13 Mr. Cutter asked about the default budget with account allocations and access via weekly
14 expense reports.

15
16 Mr. Brunelle indicated expense reports are up to date. He noted the town is in the midst of
17 its annual audit, which is near completion. He commented that there was a question
18 regarding the defibrillator purchase and reported the purchase has been completed. Mr.
19 Brunelle reported that the Board of Selectmen has decided to bring forward a warrant article
20 for preventive maintenance.

21
22 Mr. Cutter inquired about the cost of the preventive maintenance. Mr. Brunelle indicated it
23 will be a five year program with an approximate cost of \$8,000.

24
25 Mr. Spencer asked about the status of the budget regarding authorized spending vs.
26 expended. Mr. Brunelle indicated the town was \$80,000 under budget, but offered to
27 provide an actual number for the Committee.

28
29 Mr. Spencer asked if any year end purchases were made. Mr. Brunelle indicated that some
30 funds were encumbered. He offered to provide an encumbrance report for the Committee.

31
32 Mr. Cutter asked about the inmate program. Mr. Brunelle indicated the town has utilized the
33 county inmate program for the past few years; however, it was discontinued last year. He
34 noted that the County is considering reinstating the program if the towns pay the deputy fee.
35 He commented that the program is not yet approved, but it is being asked to be included in
36 the County's budget for next year.

37
38 Mr. Cutter asked if it will have an impact on cemetery lines (i.e. fall cleanup). Mr. Brunelle
39 indicated if the program is approved for this year, we will use the program for some
40 cleanups. He commented that the program could have been used for painting the old town
41 hall if the article were approved.

42
43 **6. SCHOOL BUSINESS**

44 Mr. York reported that the district hired a new Business Administrator who will use some
45 time to transition in May and June. The district also hired a new Human Resources
46 Director. Mr. York reported that the Board voted to approve two new positions in the FY14

1 budget: an additional special education teacher for GMS and a district-wide Behavioral
2 Specialist, for which the district will reallocate \$71,000 of special education tuition funds.
3 The Behavioral Specialist will be a full time position and work with approximately 15
4 students who require the services. Mr. York noted that the fund reallocation is a savings
5 resulting from bringing an out of district student in-district and not tuitioning out another.
6 He indicated that the district must provide these services and determine the best way to
7 move forward. Mr. York indicated that the additional elementary special education teacher
8 will service grades K-1 and help with the caseload as 39 students have been identified to
9 date and the number is expected to increase. Mr. York reported that the Board listened to
10 the issues in non-public session and voted for the adjustments in public session.

11
12 Mr. Spencer commented that both positions make sense. He indicated that the Budget
13 Committee will discuss the Behavioral Specialist in the fall.

14
15 Mrs. Couture commented that it was her understanding that if services are required the
16 district can reorganize funds to provide those services.

17
18 Mr. York explained that at the time the position was discussed, the Budget Committee only
19 knew of two students who required the services of a Behavioral Specialist. He indicated that
20 more students have been identified that require those services.

21
22 Mr. York reported that there is \$150,000 in unanticipated revenue that will be returned to the
23 town. He indicated that currently there is a \$50,000 under spend, which can change. GMS
24 has been instructed to ask for a new quote for the GMS parking lot, which the Board will
25 discuss at the end of May.

26
27 Mr. Cutter asked what the Board decided regarding the purchase of servers and thin clients.
28 Mr. York indicated the district purchased a tech server with this year's funds to be able to
29 implement some of the technology plan, which has been reworked and needs to be finalized.
30 Some equipment purchases need to be made, but there will be changes in technology
31 equipment. Mr. York reported that LMS will be outfitted with a second computer room and
32 there will be three mobile labs at GMS.

33
34 Mr. Spencer inquired about the new athletic trainer services. Mr. York reported that the
35 district will contract with a new trainer company. He indicated that he has no news
36 regarding the existing trainer. Mr. York noted that the new vendor offers a vast increase in
37 service hours for less money and all students can get a free physical. He commented that the
38 existing trainer can apply with the new vendor if he so chooses.

39
40 Mr. York reported that discussions with the LEA will begin this spring regarding a new
41 contract. There will be some meetings before June 11 and over the summer. He commented
42 that the Board hopes to have more information regarding PPACA consequences.

43
44 Mr. Pascucci asked if a Cadillac health plan is taxed at 40%. Mr. York indicated that it is
45 approximately \$3,000 - \$4,000 per employee. He commented that the teachers would have
46 benefitted with the new health plan had the warrant article passed.

1
2 Mr. Pascucci asked if the negotiated plan would have been a Cadillac plan. Mr. York
3 indicated that the cost of the plan would have been the factor.
4

5 Regarding the December meeting dates for the budget presentations to the Budget
6 Committee, Mr. York informed the Committee that the School Board and SAU employees
7 will not be available on December 24 and 26.
8

9 Mr. Pascucci asked about the Board of Selectmen and School Board representatives to the
10 Budget Committee. Mr. Brunelle indicated he is the primary representative and will attend
11 all meetings. Mr. York indicated he is the primary and is sharing the role with Mr. Bourque.
12

13 Mr. Pascucci indicated that the RSA states that there should only be one alternate. He was
14 concerned with dual representatives for each board. He noted that the primary
15 representative's recommendation is the one that appears on the final voting that goes to
16 Deliberative Session. Mr. Pascucci indicated that what is stated in RSA32:15 is not meant
17 to be a shared position. He commented that each board is not following the law with shared
18 positions. He was concerned that shared roles would leave one representative at a
19 disadvantage when meetings are missed.
20

21 Mr. Brunelle indicated that the Board of Selectman has selected a primary and an alternate.
22

23 Mr. Pascucci commented that the RSA states "one member of the municipality or one
24 member of the governing body" when speaking of the primary representatives. He indicated
25 that the LGC attorney verified the information. He noted that the alternate must be informed
26 and up to date on all information. Mr. Pascucci suggested that attendance rules be
27 established.
28

29 Mr. Brunelle commented that an attendance rule will force the town from selecting an
30 alternate.
31

32 Mr. Pascucci indicated that is not the intention. He invited Mr. Cutter to research the RSA.
33

34 Mr. York indicated that the RSA speaks of members at large, which we are not.
35

36 Mr. Brunelle suggested that Mr. Pascucci voice his concerns to the Board of Selectmen and
37 School Board. He indicated that as Selectmen Chair he is not concerned over it.
38

39 Mr. Pascucci believes the RSA's intention is clear.
40

41 Mr. Cutter indicated that he would like to research the RSA and the Committee will discuss
42 it at the next meeting.
43

44 **ACTION: Mr. Cutter**
45

1 Mr. Peebles commented that when he was on the Board of Selectmen, he split the
2 responsibilities with another Selectman.

3
4 Mr. Brunelle indicated that he does the job in full. He commented that the town and school
5 budget meetings collectively can be overwhelming. He indicated if Mr. Cutter decided the
6 RSA's intention is what Mr. Pascucci believes, Mr. Brunelle will attend all meetings.

7
8 Mrs. Couture asked what the downside would be to having two people share the position.
9 Mr. Pascucci commented that when he makes decisions he begins at the top (i.e. 2003 and
10 2004 warrants). He indicated that if the RSA is interpreted the way I and the LGC have
11 interpreted, the downside or upside does not matter because we will follow the rules.

12
13 Mr. Brunelle asked if he could report further on a previous question regarding
14 encumbrances. He reported the town encumbered \$108,000. \$100,000 was set aside to
15 offset taxes in the fall. He noted that most of the encumbrances were allocated for last
16 year's projects.

17 18 **7. MEMBER INPUT**

19 Mr. Pascucci suggested the Committee discuss the results of the last meeting. He commented
20 that the recommendations of the Committee were not considered by the voters. He believes the
21 Committee should examine better strategies.

22
23 Mr. Cutter commented that this was not a matter of the Committee doing something wrong. He
24 believes the taxpayers did not have an appetite for additional expense and were most likely
25 concerned with the tax rate impact.

26
27 Mr. Brunelle commented that it was difficult to interpret the budget vote because it was close.
28 He noted items that mattered were approved by the voters.

29
30 Mr. Pascucci commented that items that had new tax rate impact failed. He noted that the
31 district budget was \$15,000 less than the default budget and the town budget was \$70,000 less
32 than the default budget. He indicated that it is possible that people voted for the lower amount;
33 however, the reason may never be known.

34
35 Mr. Spencer commented that last year there was a major tax increase and this year is similar. He
36 indicated that the results did not surprise him and that people voted with their financial situations
37 in mind.

38
39 Mr. Pascucci believes that this Committee should consider if the situation is not going to change
40 next year, it may affect the work of the Budget Committee. He commented if the Committee
41 lowered the town budget, it may have been approved.

42
43 Mr. Brunelle indicated that would not be the right thing to do fiscally as town expenses are
44 increasing.

45

1 Mr. Pascucci noted this is just an analysis. He commented that we could get fined for Cadillac
2 health plans. He indicated that the CHS bond will be paid in full. He stated the default budget is
3 decreasing and the proposed budget is increasing. Mr. Pascucci indicated that it is a matter of
4 doing the right thing, but the default budget is not going to change.

5
6 Mr. Brunelle clarified that the Board of Selectmen reduced the default budget. He noted if they
7 followed the law the total default budget would have been higher.

8
9 Mr. Peeples commented that the Budget Committee cannot see the future and we will do the
10 same work each year. He observed that at the time of the election the stock market was down
11 and the economy had not improved. He noted that people think about their own financial
12 situation when they vote.

13
14 Mr. Pascucci commented that maintenance is cut every year. Mr. Spencer indicated that what we
15 proposed was approved, with the exception of the GMS parking lot because we asked that it be
16 included in the warrant. He commented that we can keep taxes down next year.

17
18 Mr. York agreed that there should not be a major swing in operating costs. He commented that
19 with the exception of benefits and associated costs, there is nothing major foreseen. He indicated
20 that the Board is concerned about retirement costs; however, the NHSBA legislative
21 representative would not make a commitment that those costs would not be downshifted to the
22 district.

23
24 Mrs. Couture commented that we can continually speculate, but the Committee will work
25 diligently on the budgets when they are delivered to us.

26
27 Mr. Spencer commented to get the contract approved it is necessary to reduce costs and increase
28 revenues. Mr. York believes revenues will be stable next year as they are this year.

29
30 Mr. Cutter provided an overview of his first year observations. He indicated that it is important
31 to examine what was done and where improvements can be made.

32
33 • *Meetings and Email as Meetings*

34 Mr. Cutter was concerned that the Budget Committee could be at risk of violating RSA 91A with
35 the amount of committee members that respond on the Litchfield message boards.

36
37 Mr. Brunelle commented that you may be commenting as a citizen on the message boards, but
38 people know you are a committee member. He was concerned that information sharing would
39 discontinue, but commented that he understands the issue.

40
41 Mr. York commented that information can be shared, but if a dialogue begins and increases, it
42 can be considered a meeting. He indicated that the RSA will recognize you as a committee or
43 board member if discussing town or school business.

44
45 Mr. Pascucci commented it is too easy to cross that line. He indicated that Mrs. Couture's advice
46 to stop responding by email is best to considered.

1 Mr. York shared the School Board's decision with Committee members. He indicated that the
2 School Board decided any correspondence to the School Board would come from the SAU
3 Office/School Board Administrative Assistant or Superintendent, and any response or
4 information sharing would occur through that avenue.

5
6 Mr. Brunelle commented that the town has an objection to such a strict rule. He suggested that if
7 delivering information as a liaison to committee members, all replies/responses should go
8 through the liaison.

9
10 Mrs. Couture believes that the process started by the Budget Committee is working. She
11 indicated that information goes through the Chair to be disseminated. She noted if there is more
12 dialogue an issue is evident.

13
14 Mr. Pascucci suggested creating an electronic drop box that can be accessed by Committee
15 members. He commented that he listened to the NHSBA representative at the Board meeting
16 last evening and the information he shared made sense. Mr. Pascucci indicated we should follow
17 the rules.

18
19 Mr. Spencer commented that typically if he needs information from the Business Administrator,
20 for example, he would email him and ask for a response. He wanted to know how the process
21 would work if he made his request through the Committee Chair. Mr. Cutter indicated that
22 requests for information can be made through the Chair to the appropriate party and the Chair
23 will disseminate the information to the entire Committee.

24
25 Mr. Pascucci commented that the School Board began posting agenda attachments on their
26 website. He suggested the same for the Budget Committee. Mr. Brunelle indicated that can be
27 done, but someone would have to post the information.

28
29 Mr. Peeples believes the current process of requesting and disseminating information through the
30 Chair works well.

31
32 Mr. Cutter noted that the Committee will continue with the existing process for requesting and
33 disseminating of information through the Chair.

34
35 Mr. Brunelle commented that the Chair can send email as a blind copy and anyone responding
36 will respond to the Chair. He indicated that if a dialogue occurs, all email strings are disclosed to
37 the public.

38
39 • *Observations*

40 *Posting of Meetings and Minutes*

41 Mr. Cutter observed that there is not a consistent method for posting of meetings. Mr. Brunelle
42 commented that the posting requirement is that meeting notices be posted in two physical places.
43 He noted that the notices are posted at the town hall and the schools. He indicated if the town
44 hall is notified, meetings can be posted on the calendar.

45

1 Mr. Cutter observed that meeting minutes should be posted without delay after approval. Mr.
2 Brunelle indicated that minutes have to be in the town clerk's office five days after being
3 transcribed. He noted they are posted on the website as a courtesy.

4
5 Mr. York suggested posting draft minutes because there is a span of a month between some
6 meetings. He encourage the Committee to post minutes as soon as possible.

7
8 Mr. Brunelle indicated the minutes can be posted more diligently. He commented if the
9 Committee decides to publish draft minutes, we will comply.

10
11 Mr. Cutter believes there is no risk of posting draft minutes. Mr. Pascucci agreed.

12
13 **MOTION:** by Mr. Pascucci

14 ***Move to allow draft minutes of the Budget Committee to be posted on the town website***

15 **SECOND:** by Mrs. Couture

16 **VOTE: 8-0-0**

17 **The motion carried unanimously.**

18
19 *Budget Reviews*

20 Mr. Cutter observed that a large percentage of the budget review is school related and is
21 reviewed over 7 meetings. He noted that the town budget is extended over two months. He
22 suggested improving budget review time.

23
24 Mr. Spencer indicated that the Budget Committee must begin review of the school budget before
25 Thanksgiving. He commented that the budget hearing could be as early as January 7, 2014 and
26 we will not be meeting at the end of December. He noted that the school budget must be
27 delivered to the Committee earlier.

28
29 Mr. York commented that he will have that discussion with the School Board.

30
31 Mr. Spencer asked if Mr. York had an idea of when the budget would be delivered to the Budget
32 Committee. Mr. York indicated that Mr. Martin believes it will be ready by November 25. Mr.
33 York noted that he voiced his objection to the School Board. He commented that the School
34 Board needs to have a discussion with the new Business Administrator. The current budget
35 process was discussed and Mr. York suggested that the new Business Administrator may have a
36 different process.

37
38 Mr. Cutter indicated that the Budget Committee can discuss this matter in June or August.

39
40 Mr. Spencer indicated that the issue needs to be resolved so the Budget Committee can begin
41 reviewing the budget earlier in November. Mr. Peeples commented that we may not have an
42 answer until July. He suggested that the new Business Administrator should make the budget
43 delivery a priority. He noted that adjustments can be made at the end of the process.

44
45 Mrs. Couture commented that the School Board met on Saturdays in the past in order to
46 complete their budget for delivery to the Budget Committee.

1 Mr. Pascucci commented that LEA negotiations will begin earlier this year and asked if they
2 would be completed earlier as well. Mr. York commented that may be a possibility.

3
4 Mr. Pascucci asked if warrant articles would be ready earlier this year. Mr. York commented
5 that is unknown at this time. Warrant article discussion does not begin until the beginning of
6 December. Mr. York indicated there is nothing pressing that needs to be included in the warrant.
7 He noted that the Board is seeking guidance on what should be done about security in the
8 schools.

9
10 Mr. Cutter indicated that Mr. York heard the concerns of the Budget Committee regarding
11 delivery of the school budget by November 19.

12
13 *Town and School Budgets*

14 Mr. Cutter requested to receive monthly reconciliation reports from the town.

15
16 Mr. Brunelle commented that the governing body is responsible for those reports and are only
17 obligated to report it has occurred. However, a copy will be forwarded to the Budget
18 Committee.

19
20 Mr. Cutter asked if the Budget Committee will continue to receive weekly expense reports. Mr.
21 Brunelle indicated weekly expense reports will continue to be provided for the Budget
22 Committee and all questions will be submitted through the Chair.

23
24 Mr. Cutter commented that often we speak about a bottom line budget and in some cases we
25 agreed to adjust the bottom line numbers as opposed to specific line. He indicated that is an
26 opportunity for us to be more direct on making adjustments or reductions in specific areas.

27
28 Mr. Spencer suggested making reductions by object code. He indicated that an overall reduction
29 can be made to many areas in the budgets.

30
31 Mr. Cutter indicated that his reason for broaching the subject was because the Budget
32 Committee's reduction in salaries resulted in the district cutting 2.5 employees. He commented
33 that he would like to avoid that problem this year. Mr. Spencer commented that the Budget
34 Committee made that reduction because that account is typically underspent. He suggested when
35 making reductions, the Budget Committee label it for a specific item (i.e. healthcare).

36
37 Mr. York commented that the Superintendent makes reductions to the specific line item that is
38 reduced by the Budget Committee.

39
40 Mrs. Couture clarified that the Budget Committee cannot tell the town or school district how to
41 spend their money. She indicated we can suggest where to reduce overall. Mr. Cutter
42 commented that we are able to analyze and make decisions, and have the opportunity to make
43 reductions at that level.

44
45 Mr. York indicated that the administration agrees with bottom line reductions because it gives
46 them flexibility and is easier to manage.

1 Mr. Spencer indicated that the salaries/benefits account is historically underspent. He noted that
2 the Budget Committee has made this reduction many times and it is always a non-issue.

3
4 Mr. Pascucci commented that once the budget is approved the School Board can move money
5 around to accommodate needs. He indicated that the way to solve issues on personnel reductions
6 that result from our reductions is for the liaison to the School Board to accurately convey Budget
7 Committee reductions and rationale.

8
9 Mr. Brunelle commented if a reduction in personnel is the result of a reduction of the Budget
10 Committee, the public has the right to know.

11
12 Committee members discussed budget review and voting as a same day meeting schedule.
13 Committee members agreed to continue with the current process.

14
15 Mr. Pascucci mentioned that there is a proposal to research biennium budgets. He indicated that
16 both the School Board and Board of Selectmen discussed the proposal. He commented that it is
17 difficult enough to prepare a budget nine months and was concerned about how far in advance
18 the budgets would have to be prepared.

19
20 Mr. York commented that it is too early in the process to answer that question. He indicated that
21 Representative Byron sent the RSA to Mr. York and we sent questions to the Legislature. He
22 noted the questions were routed to the NH Department of Revenue Administration (DRA). The
23 NH DRA stated that the RSA was written strictly for Manchester. Mr. York indicated that the
24 RSA does not state it applies only to Manchester. He noted that it will be discussed with Mr.
25 Hamilton at the NH DRA. Mr. York commented that we need to make sure the process can
26 work. He noted that the issue was raised because most of the year is spent on budgets and not
27 enough focus on other priorities. He explained that the RSA is set up to increase the budget in
28 year two by anything that was not in the first year budget. Any dollars saved in the first year are
29 rolled into year two. Warrant articles are discussed in March.

30
31 Mr. Spencer did not support the proposal. Mr. Pascucci believes there is not much chance on the
32 proposal being approved by the voters. Mr. Brunelle commented that the Board of Selectmen
33 are unsure of the proposal at this time.

34 35 **8. PUBLIC INPUT**

36 There was no public input.

37 38 • **Upcoming meetings**

39 The next meeting of the Budget Committee will be held on June 27, 2013.

40
41 **MOTION:** by Mrs. Couture

42 ***Move to adjourn.***

43 **SECOND:** Mr. Peeples

44 **VOTE: 8-0-0**

45 **The motion carried unanimously.**

46

1 There being no further business, the meeting adjourned at 9:10 p.m.

2

3 **Minutes by:** *Michele E. Flynn (Recording Secretary)*

4

5 **Date approved:**

DRAFT