

1 Mr. Cutter thanked Mr. Pascucci for the nomination, but declined the position. He felt that
2 administrative tasks were inhibiting his process of challenging the budget and believes that is
3 where his value lies.

4
5 **The motion was declined.**

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

8 *Move to nominate Mrs. Couture as Chair*

9 **SECOND:** the motion was seconded (inaudible)

10 **VOTE: 5-1-2**

11 **The motion passed.**

12
13 **Mrs. Couture was elected Chair of the Budget Committee.**

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

16 *Move to nominate Mr. Cutter as Vice Chair*

17 **SECOND:** by Mr. Pascucci

18 **VOTE: 6-0-1**

19 **The motion passed.**

20
21 **Mr. Cutter was elected Vice Chair of the Budget Committee.**

22
23 **5. REVIEW/ACCEPTANCE OF MINUTES**

- 24 • **February 1, 2014**

25 **MOTION:** by Mr. Spencer

26 *Move to approve the minutes of February 1, 2014*

27 **SECOND:** by Mr. Pascucci

28 **VOTE: 5-0-3**

29 **The motion passed.**

- 30
31 • **February 8, 2014**

32 **MOTION:** by Mr. Spencer

33 *Move to approve the minutes of February 8, 2014*

34 **SECOND:** by Mr. Pascucci

35 **VOTE: 6-0-2**

36 **The motion passed.**

37
38 **6. TOWN BUSINESS**

- 39
40 • **General Updates**

41 Mr. Byron reported that the Board of Selectmen are reviewing the 2014 operating budget using
42 default budget prepared by the Town Administrator. He indicated that the Budget Committee
43 will receive a copy by Friday. Mr. Byron noted that the Board of Selectmen has not yet
44 approved the operating budget.

45

1 Referring to the Capital Improvement Program Committee, Mr. Byron reported that Mr. Brunelle
2 will be leading the committee and will try to determine membership. Mr. Byron suggested that a
3 Budget Committee member serve on the committee.
4

5 • **Review of Expenditures**

6 Mr. Byron asked about the process for the Review of Expenditures. Mrs. Couture explained that
7 it is the process of providing an update on the budget for the Budget Committee.
8

9 Mr. Spencer commented that when he was reviewing the 2013 year end budget report, it seemed
10 that the ambulance bad debt account was unexpended. He asked for confirmation of that
11 account.
12

13 Mr. Byron indicated that he will provide that information. He asked about the Budget
14 Committee's expectation regarding the review of expenditures. He commented that going
15 forward he would like to be prepared and provide the appropriate information under this agenda
16 item.
17

18 Mrs. Couture indicated that past practice has been if a question arises and the information is not
19 readily available, the representative can research the information and provide it to the
20 Committee.
21

22 Mr. Cutter asked if the Board of Selectmen has made a selection for the purchase of a police
23 cruiser. Mr. Byron indicated that the Board of Selectmen did not include a cruiser purchase in
24 the revised budget. He noted that the Selectmen are considering using the money that is in that
25 line for maintenance and repairs on current vehicles.
26

27 **7. SCHOOL BUSINESS**

28 • **General Updates**

29 Mr. York reported that the School Board expects to review the FY15 Operating budget as soon
30 as it is available. He indicated it is anticipated it will be provided at the next School Board
31 meeting. He commented that the budget will be provided for the Budget Committee after review
32 by the School Board.
33
34

35 Mr. Pascucci asked for a transportation update. Mr. York indicated that Nashua is close to a
36 decision, but the impact to Litchfield is unknown at this time.
37

38 Mr. Cutter asked if there was a review with the transportation vendors. Mr. York indicated that
39 there will be a review with the vendors upon a decision by Nashua. He commented that
40 Litchfield is not the district that drives the bus company.
41

42 Mrs. Douglas asked if Litchfield can partner with Hudson. She commented that Hudson is not
43 satisfied with First Student and believes that people would opt to pay more for another vendor.
44 Mr. York indicated that First Student is currently Hudson's vendor and it would not be
45 advantageous for Litchfield to partner with Hudson.
46

1 Mr. Spencer commented that it would be beneficial for the Budget Committee to receive a
 2 monthly financial report. He noted that the current report was recently sent to the Committee.
 3 Referring to that report, Mr. Spencer indicated that it seems that handicapped transportation is
 4 under spent. He noted that at this time of the year, the funds in that account are typically
 5 encumbered or spent. He asked for clarification.

6
 7 Mr. Spencer indicated that handicapped tuition at CHS also appears to be under spent and asked
 8 for clarification.

9
 10 Mr. York commented that he will ask the SAU to provide a current update.

11
 12 • **LSB Planning and Building Advisory Committee**

13 Mr. York reported that he is the new Chair of that committee. He noted that meetings will be set
 14 for April and May.

15
 16 Mrs. Couture asked how the Budget Committee would like to address representation to that
 17 committee. She indicated that both she and Mrs. Douglas currently sit on that committee. Mrs.
 18 Couture commented that the representative from the Budget Committee is a non-voting member
 19 and is responsible to listen to the information discussed and/or presented and report back to the
 20 Budget Committee.

21
 22 **MOTION:** by Mr. Cutter

23 *Move to nominate Mrs. Douglas as Budget Committee representative to the Litchfield*
 24 *Planning and Building Advisory Committee*

25 **SECOND:** by Mr. Pascucci

26 **VOTE: 6-0-2**

27 **The motion passed.**

28
 29 Mrs. Couture recapped the requests by the Budget Committee. She indicated requested of the
 30 Town is a confirmation of spending in the ambulance bad debt account and a pending discussion
 31 of Budget Committee Involvement in the Capital Improvement Program. Requested of the
 32 District are monthly detailed budget status reports, clarification of handicapped transportation
 33 and handicapped tuition for CHS.

34
 35 **8. MEMBER INPUT**

36 • **Lessons Learned**

37 Mr. Cutter indicated that Mr. Spencer prepared a summary of observations for the past year.

38
 39 1) Setting a Clear Schedule

40 Mr. Spencer suggested that the last date to review the operating budget and warrant articles
 41 should be the next to last meeting prior to the Budget Hearing. He explained that gives the
 42 Budget Committee a one week window and will help alleviate the problems we had last year.
 43 Mr. Spencer commented that at the last meeting before the Budget Hearing we can vote on open
 44 items that have been discussed, but not voted upon. He recommended that the Committee not
 45 revote accounts already voted. He indicated that once the Budget Committee prepares its budget,

1 votes should be locked in and unable to be changed/reopened, which will alleviate the issue of
2 having adequate time.

3
4 Mr. Cutter commented that there were many changes made during the last couple of meetings
5 last year, which required reopening all budget lines to revote. He suggested considering delaying
6 the voting to one meeting after all budget lines are reviewed.

7
8 Mr. Spencer was concerned that method may be problematic. He commented he has no issue
9 with the current process providing the Budget Committee commits to following that method.

10
11 Mr. Byron cautioned the Committee that the Board of Selectmen reviews the current year budget
12 and how the town is doing against that budget. He indicated that unexpended funds from the
13 current year are applied toward the next year's budget for items the Budget Committee has
14 already voted and approved (i.e. 2013 budget unexpended funds applied to 2014 budget items).

15 Mr. Byron commented if the budget is frozen earlier, that money will go to the general fund and
16 we will not be able to apply it to next year's budget to decrease the expense to the taxpayer.

17
18 Mr. Spencer concurred with Mr. Byron. He commented that the problem last year was that
19 revoting occurred at the last meeting and should have been reserved for the budgets not yet
20 approved.

21
22 Mr. Byron suggested that the Board of Selectmen can analyze the town's status against the
23 budget on December 1 and determine a number to provide for the Budget Committee that will be
24 applied to the next year's budget.

25
26 Mrs. Couture asked about addressing the issue at Deliberative Session. Mr. Byron indicated that
27 at that point the prior year is closed and funds have not been encumbered.

28
29 Mr. Spencer indicated that the Budget Hearing is the appropriate venue to make those changes.
30 Mr. Byron agreed so long as the deadline date is recognized.

31
32 Mr. Spencer indicated that he is trying to isolate the amount of items we vote on so that there is
33 enough time for the budget presentation to be prepared. Mrs. Couture commented that the
34 budgets were discussed months prior and many changes were addressed. She noted at this point
35 this is just discussion and the Budget Committee needs to make a decision on a solution.

36
37 Mr. Spencer indicated that the Chair can prepare a proposal so that the Committee can decide on
38 the solution.

39
40 2) Require Two-Thirds Vote to Re-Open Items Previously Voted

41 Mr. Spencer explained that if the Budget Committee has already voted on the budget and a new
42 item or significantly increased costs are discovered, two-thirds vote would be required to reopen
43 that item.

44
45 Mr. Byron commented that creates an issue if the majority of the Committee wants to make a
46 change and is unable to do so because two-thirds vote is required.

1
2 Mrs. Couture agreed with Mr. Byron. She did not recall there being an issue in the past.

3
4 3) Revenue Projections Received when Budgets are Delivered

5 Mr. Spencer indicated that when the budgets are delivered to the Budget Committee, revenue
6 projections should be included. He commented that the Committee cannot review appropriation
7 and impact without revenue projections.

8
9 • **MS-7/MS-27 Process**

10 Mr. Spencer referred to his observations for last year. He indicated in the past the Budget
11 Committee received these reports soon after the Budget Hearing. He requested that these reports
12 be prepared for the Budget Hearing so that members can sign them on that night.

13
14 Mrs. Couture commented that there could be changes at the Budget Hearing. Mr. Spencer
15 indicated that the reports can be revised.

16
17 Mr. Cutter indicated that the process is now online making it more difficult and less reasonable
18 to prepare two of the same report. Mr. Byron suggested that a draft could be completed with a
19 signature form available for the Budget Committee. Committee members can sign the form(s)
20 and the Chair can hold those signature pages until the changes have been incorporated. Once the
21 changes have been made, the Chair can release the signature pages and the report can be
22 submitted.

23
24 Mr. Spencer was in agreement. He commented that this year when he signed the school MS-27,
25 he highlighted errors, which did not get changed.

26
27 Mrs. Couture asked how this process would prevent those errors. Mr. Spencer indicated that the
28 Chair would not release the signature pages until those errors are corrected.

29
30 Mr. Cutter mentioned that the direction from the School Board was that it was the Budget
31 Committee's responsibility to prepare the MS-27. He was concerned that there are many
32 elements of that report that are not the responsibility of the Budget Committee. He commented it
33 is not reasonable for the Budget Committee to complete that report. Mrs. Couture indicated it
34 has always been a collaborative effort.

35
36 Mr. York noted there was some resistance during that process this year. He noted he will
37 endeavor to make the Budget Committee's request to the School Board.

38
39 Mr. Spencer agreed with Mr. Cutter that the Budget Committee does not have the data to
40 complete the MS-27.

41
42 Mr. York suggested that the Budget Committee Chair meet with the Business Administrator to
43 ensure agreement on that process. Mrs. Couture indicated she will address the issue.

44
45 Mr. Cutter asked when the default budget is available to the Budget Committee. He commented
46 that Mr. Guerrette raised some valid points regarding the default budget. He indicated if the

1 Budget Committee does not know the default budget they have no baseline for creating the
2 operating budget.

3
4 Mr. Byron asked why the Budget Committee needs the default budget to create the operating
5 budget. Mrs. Couture echoed Mr. Byron's concern asking if it is the Committee's goal to match
6 the default or determine a reasonable operating budget for the community.

7
8 Mr. Byron indicated that legally we are obligated to present a default number at the Budget
9 Hearing.

10
11 Mr. Vaillancourt asked why additional items are added to the default once it is created.

12
13 Mr. Cutter commented that there are needs and wants in the town that are presented to the
14 Budget Committee and voted. He noted that the Committee discusses and analyzes those needs
15 and wants and presents a budget that is best for the taxpayers.

16
17 Mr. Vaillancourt asked why it is always higher. Mr. Byron indicated that the default budget is
18 prepared according to the law. He commented that he did not understand Mr. Vaillancourt's
19 question.

20
21 Mr. Vaillancourt indicated that the town default budget for 2014 was \$4.75M. He noted the final
22 result was higher after returning some of the costs from the Budget Committee. Mr. Byron
23 commented that we present the budget to the Budget Committee whose responsibility it is to
24 adjust the operating budget for the town. He indicated that the Board of Selectmen is responsible
25 for setting the default budget, which is done based on budget lines from the last approved budget,
26 changes in contracts (up or down), less one time expenditures.

27
28 Mr. York commented that the default budget for the District was \$150,000 higher than the
29 previous year because warrant articles were approved.

30
31 Mr. Pascucci commented that the default budget is a mathematical equation. He agreed it would
32 be beneficial to have the default budget earlier in the process. He indicated that the Budget
33 Committee should not base their decision regarding the operating budget on the default budget.
34 He commented that we are not presenting a choice to the voters because if the operating budget
35 is not approved by the voters, the result is the default budget. Mr. Pascucci commented that
36 philosophically, Mr. Guerrette presented a valid point regarding the election results. He
37 indicated that last year the operating budget we presented and was subsequently approved by the
38 voters was \$15,000 lower than the default budget. He noted that it is speculation as to why the
39 operating budget was approved last year, but was not approved this year.

40
41 Mr. Byron commented that he does not prefer that the Budget Committee be in a position of
42 waiting to get the default budget and making adjustments to the operating budget based on that
43 information. He repeated that the default budget is prepared according to the law. He does not
44 believe it is a good reason to use the default budget to lower the operating budget.

45

1 Mr. York commented that the District default budget is not a matter of focus until after the
2 operating budget has been delivered to the Budget Committee. He indicated that the School
3 Board reviews their budget without default budget information.

4
5 Mr. Cutter asked why the Budget Hearing date is held on a Thursday. Mr. Spencer commented it
6 is not restricted to a Thursday, but must be held during a specific window of time.

7
8 Mr. Cutter commented that if the Budget Hearing were held on a Saturday attendance may be
9 better. He was concerned that there is not enough notification of the hearing date.

10
11 Mr. Spencer agreed that more notification is necessary. He commented that the budget
12 presentation is difficult for many to understand and does not fully reflect what is in the budget.
13 He suggested a presentation that includes more information about what is included in the budget.

14
15 Mr. Cutter asked Budget Committee members for recommendations for notification with detail
16 online. Mrs. Couture indicated that both the Town and District advertise their budgets on their
17 websites.

18
19 Mr. Byron suggested moving away from using spreadsheets and moving toward more discussion
20 about what is in the budgets, the rationale for what is included, and why the Budget Committee
21 made their decisions regarding the budgets.

22
23 Mr. Spencer indicated that the budgets should be presented by location for the district (or similar
24 for the town) and reflect what is included in the current budget and what is new. He noted when
25 presented that way people may not be surprised about what is included in the budget.

26
27 Mr. Cutter commented that technology allows for quicker notification and the Committee should
28 consider getting quick updates out to the community.

29
30 Mr. York commented that the School Board is tightening up budget reporting. He noted that
31 salaries/benefits cannot be changed, but believes that Mr. Spencer is asking about providing
32 detail about the operations piece of the budget. He indicated that the School Board has directed
33 that a more specific tax impact for each warrant is printed on the ballot (i.e. total budget tax
34 impact \$0.32, but in reality is only an increase of \$0.04). He commented that if only the increase
35 was printed on the ballot the result may have been different.

36
37 Mr. Pascucci commented that not approving the operating budget is the same as placing a halt on
38 spending.

39
40 Mr. York commented that the default is only in effect for one year. He indicated that the School
41 Board did not add more spending to the budget process.

42
43 Mrs. Douglas commented that a new computer lab was included in the operating budget. She
44 indicated that the computer lab should have been a warrant article. She commented that people
45 feel more comfortable seeing what they are paying for and knowing that it is not going into the

1 bottom line to potentially be spent on something else. She indicated that if people do not know
2 what is included in an increased budget, the budget will not be approved.

3
4 Mr. York commented that the School Board would like the Budget Committee to have answers
5 to their questions regarding the budget more quickly. He indicated the process would be faster if
6 the questions were submitted electronically and responses distributed through the Chair.

7
8 -Observation: Budget Committee Meetings Held After Budget Hearing and Deliberative
9 Sessions

10 Mr. Spencer indicated that the budget meetings held after the Budget Hearing and Deliberative
11 Sessions were scheduled as full meetings. He recommended those meetings be restricted to what
12 changes need to be made after those sessions with no public input or new business.

13
14 Mrs. Couture agreed.

15
16 Mr. Cutter disagreed commented that those sessions have turnout and he would like to hear the
17 public's input.

18
19 Mr. Spencer indicated that the Budget Hearing and Deliberative Sessions are held for public
20 input. Mrs. Couture agreed with Mr. Spencer and noted that people need to make their
21 comments at those sessions.

22
23 • 91-A Process

24 Mrs. Couture asked Committee members for recommendation on the method for the flow of
25 information between the School Board, the Board of Selectmen and the Budget Committee.

26
27 Mr. Spencer believes that questions such as his this evening should be handled via the
28 Committee. He noted that during the budget process he prefers to communicate directly with the
29 Business Administrator while copying the Chair.

30
31 Mrs. Couture indicated that she understood Mr. Spencer's position, but believes a funnel is
32 necessary. She commented that following that method does not allow the public to see or hear
33 why we are asking those questions.

34
35 Mr. Spencer believes the public does not have to know that information.

36
37 Mrs. Couture believes the public has the right to know why we are asking questions and where
38 we are getting our information. She commented if we make decisions based on information
39 received via email, the public is deprived of our reasons for those decisions.

40
41 Mr. Cutter suggested a standing agenda item to discuss electronic requests and the relevant
42 information.

43
44 Mrs. Couture commented that email discourse is a slippery slope. She indicated that questions
45 and responses should be funneled through the Chair and distributed to Committee members.

46

1 Mr. Byron recommended the Chair should restrict discussions through email. He commented that
2 nine Budget Committee members could result in questions from those nine members.

3
4 Mr. Cutter indicated that the process last year was that questions asked go through the Chair and
5 are forwarded to ex-officio members for research and response.

6
7 Mr. York commented that the School Board has discussed the process of budget presentations by
8 department administration. He indicated that it would be a better method to have the
9 Superintendent or Business Administrator present the budget sections and invite the
10 administrator/director the following week to respond to questions.

11
12 Mrs. Douglas commented that when the budget is presented it needs to be absorbed and may
13 result in additional questions. She commented that it may be beneficial to have the presenter
14 attend again the following week to respond to questions.

15
16 Mr. York commented that it is expected that the Budget Committee reviews the budget before it
17 is presented.

18
19 Mr. Spencer indicated that the Budget Committee receives the budget before Thanksgiving. He
20 commented that he reviews it and prepare questions, but would prefer to ask the Business
21 Administrator directly for that information and not distribute it to everyone.

22
23 Mrs. Couture suggested asking the questions directly to the Business Administrator, copying the
24 Chair and have a standing agenda item to review the emailed questions. She commented that
25 ensures the public has the best information on how we formulate our decisions. Mr. Spencer
26 agreed.

27
28 Mr. Byron observed that the Budget Committee's process for reviewing budgets is budget expert
29 presents, department heads/relevant personnel are present and a few questions are asked by
30 Committee members. He noted that the following meeting when the relevant personnel are not
31 present, there are many additional questions that sometimes results in line item reductions. Mr.
32 Pascucci commented that when the budgets are presented he is absorbing the information. He
33 indicated that the relevant personnel should come back the following week/meeting.

34
35 Mr. York suggested that the Business Administrator or Superintendent can present the budgets
36 and the administrator/director can attend the following week to answer any questions. He noted
37 that a similar method can be used for the Town budgets. Mrs. Couture agreed that should work.

38
39 • **2014 Meeting Calendar**

40 Mr. Cutter prepared a proposed meeting calendar, which was similar to that from last year.

41
42 Mrs. Couture indicated that the Budget Committee will meet the fourth Thursday of each month,
43 except August. She suggested the Town and District forward their budget review schedule
44 before the Budget Committee prepares their budget review schedule.

45

1 Mr. Cutter commented that the budget review schedule is challenged by the days on which
2 Christmas and New Year fall.

3
4 Mr. Cutter asked about the representatives to the Budget Committee. Mr. York confirmed that
5 Brian Bourque is the School Board representative for the entire year. Mr. Byron confirmed he is
6 the Selectmen's representative for the year with Mr. Brunelle as alternate.

7 8 **9. PUBLIC INPUT**

9 Jason Guerrette, 11 Perry Court, commented on RSA 91-A. He agreed that when the Budget
10 Committee asks questions, it is the public's information. He commented that the Committee is
11 doing the public work and more transparency is better. He indicated that during the town and
12 school input sections the Chair can share the question and answer information via a report.

13
14 Mr. Guerrette commented that he heard that the default budget calculation is a mechanical
15 process and if that is the case, no one should vote on the number. He commented if it is as static
16 as a math problem, the Superintendent should not be asking the School Board what should be
17 approved. He noted it is a defined process. Mr. Guerrette indicated he heard many times this
18 evening that time is an issue. He commented that it should not matter how long it takes to get
19 the process right. He commented that if you do not have the time to do it, then simply do not do
20 it. Mr. Guerrette stated it does not matter how long it takes; the people just want the process to
21 be right. He commented that the people trust in you to do the right thing.

22 23 • **Upcoming meetings**

24
25 The next meeting of the Budget Committee is scheduled on April 24, 2014.

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

28 ***Move to adjourn.***

29 **SECOND:** Mr. Spencer

30 **VOTE: 8-0-0**

31 **The motion carried unanimously.**

32
33 There being no further business, the meeting adjourned at 8:47 p.m.

34
35 **Minutes by:** *Michele E. Flynn (Recording Secretary)*

36
37 **Date approved:**