

**Minutes of the Litchfield Budget Committee Meeting
Held on November 6, 2014**

The Litchfield Budget Committee held a meeting on Thursday, November 6, 2014 at Campbell High School, 1 Highlander Court, Litchfield, NH 03052.

PRESENT: C Couture (Chair), A Cutter (Vice Chair), W Spencer, R Peeples, C Pascucci, D Vaillancourt, K Douglas, B Bourque (School Board Representative), F Byron (Selectmen's Representative)

Absent:

Mrs. Couture called the meeting to order at 7:00 p.m.

1. PLEDGE OF ALLEGIANCE

2. PUBLIC INPUT

There was no public input.

3. REVIEW/ADDITIONS TO AGENDA

4. REVIEW/ACCEPTANCE OF MINUTES

- **October 23, 2014**
- **October 30, 2014**

MOTION: by Mr. Cutter

Move to approve the minutes of October 23, 2014 as amended

SECOND: by Mr. Pascucci

VOTE: 9-0-0

The motion passed.

MOTION: by Mr. Cutter

Move to approve the minutes of October 30, 2014 as amended

SECOND: by Mr. Pascucci

VOTE: 8-0-1, with Mr. Peeples abstaining

The motion passed.

5. CORRESPONDENCE

6. TOWN BUSINESS

- **Budget Review**

(Budget review items may not be taken in the order they appear.)

4152.1 Revaluation of Property

Mr. Hoch presented the 2015 Revaluation of Property budget to the Budget Committee. He noted that this is year five of the cycle and \$106,550 is needed for 2015. He reported that there is \$42,122 available to encumber in 2014 and \$10,500 carried over from 2013, leaving \$53,928 to be raised.

Mr. Pascucci commented if Avitar is not the only vendor to perform this service, perhaps another vendor is less costly.

Mr. Hoch pointed out that we did put this out to bid in 2010 and Avitar submitted the best pricing by far. He noted that we use their software as well. Mr. Hoch mentioned that sometimes when you change vendors you have to purchase their software.

Mr. Byron commented that Avitar's software allows the assessor to strip out all the data and generate the statistics he needs.

4155 Personnel Administration

Mr. Hoch presented the 2015 Personnel Administration budget to the Budget Committee. He noted that the Health Insurance line reflected the money owed to employees from the health insurance refunds over the last two years. He indicated that there are no more refunds and the town is no longer eligible for HealthTrust refunds because we changed providers this year. Mr. Hoch noted that NH Retirement is increasing July 1, 2015, unemployment tax has decreased and Workers Compensation insurance has increased. He indicated that at the time the budget was completed numbers used were best information at the time; however, better information has been received by the Board of Selectmen and is noted as "actual" in the appropriate lines.

4311.1 Road Agent's Office

Mr. Hoch presented the 2015 Road Agent budget to the Budget Committee. He noted that this budget restores the level of services previously recommended.

Mr. Peeples asked why propane increased. Mr. Hoch indicated that when we calculated the budget we were almost all the way through the line when the cold weather started this year.

Mr. Cutter referred to consulting engineer services and asked if design services are always needed. Mr. Hoch indicated that there are ongoing plans for roads and this year was more intensive as Mike Lane was a full rebuild. He commented depending on what projects we end up funding and what results from the Town Meeting, we may have additional design work.

Mr. Cutter asked if any of that is covered by the highway block grant. Mr. Hoch indicated that it all goes into the same account.

Mr. Spencer commented that he would prefer the specific project is charged off to the appropriate account.

Mr. Byron commented that we budgeted a separate line the engineer cost and if we put it in the highway construction line we would have to raise the money. Mr. Spencer indicated that design

of the road is part of that cost. He commented that this line item in the past was to look to the future.

Mr. Byron indicated we have a program that allows us to project out what projects we need to do in a certain year. Mr. Spencer commented that the consultant in this year's actual is work for next year.

Mr. Hoch clarified it is for this year and next year. Mr. Spencer commented he wants to understand how the consultant line is charged off. He believes that projects should be charged to that line in the same year as consultant work.

4312.1 Highways and Streets

Mr. Hoch presented the 2015 Road Maintenance budget to the Budget Committee. He noted that the funds in Line 570, Pavement Striping/Marking, are an offset used for paving. He indicated that this was discussed during a conversation that took place after Town Meeting. Mr. Hoch commented that in conjunction with a pertinent warrant article, the money was spent on paving.

Mr. Spencer commented that the voters did not vote specific items and this has always been a miscellaneous account. Mr. Hoch indicated that we put all the road maintenance money together because we wanted to get all the work done this year.

Mr. Hoch noted that Line 730, Block Grant Road Improvements, is the best estimate for revenue from the state.

Mr. Cutter asked about actual expenses for the block grant. Mr. Hoch indicated that \$148,000 is earmarked and the Mike Lane project will consume the balance of that line.

Mr. Hoch noted under Equipment Rental, the brush hog will be rented to do the heavy duty roadside cleaning, and road sweeping has been restored.

Mr. Cutter asked about Line 571, Tree Removals. Mr. Hoch indicated that there are always trees that need to be removed and if not done in the spring, fall is the time it needs to be done.

Mr. Hoch noted that additional salt is budgeted to avoid running out as occurred this past winter.

Mr. Spencer commented that Workmen's' Wages looks like a reasonable budget. He commented that Overtime is budgeted at \$16,000; while \$14,000 was spent last year and this year \$11,000 has been spent to date. Referring to Catch Basin Cleanouts, he noted that only \$5,000 was spent this year.

Mr. Hoch indicated that \$8,600 was spent on catch basin replacement. Mr. Spencer commented not as many were cleaned. Mr. Hoch responded that it was so we would have more space if needed.

Mr. Spencer asked what will be done next year for catch basin cleaning. Mr. Pinciario commented we are trying to do 50% each year.

Mr. Peebles asked what storm water management demands for cleaning. Mr. Hoch indicated that one-third each year is planned for storm water management, but we reviewed it and started planning to clean more basins faster because they were filling in.

Mr. Spencer asked why Line 740, Equipment Purchase, is decreased. Mr. Hoch commented we have been replacing plows and wings. He noted that the replacement of two wings was discussed.

4520.1 Parks and Recreation

Mr. Hoch presented the 2015 Parks and Recreation budget to the Budget Committee. He noted that funds have been reallocated based on our experience this year and where we have and have not spent funds.

Mr. Peebles asked about the Talent Hall roof. Mr. Hoch indicated that it was completed under budget.

Mr. Cutter asked if there was a bid on the article and if there is any way the Committee can review the estimates that are received. He commented this is the second roof that came in under what was appropriated. Mr. Hoch indicated that a construction estimate was brought to the Committee and the Committee felt it was a good quote.

Mr. Cutter commented that we are not saving money as the remainder goes into a pool and is spent on something else.

Mr. Byron explained if we get a bid a year ahead the vendor will not know what materials will cost and will increase the prices. He commented that we can ask for a guarantee, but we cannot get a guarantee on a price for a year.

Mr. Pascucci indicated that he understands Mr. Cutter's concern, but no one will guarantee the price for a year. He noted they will estimate higher. He commented that it is a waste of time to get another bid as people bidding a year in advance will estimate high and play it safe.

Mr. Cutter commented between these two projects there may have been \$50,000-\$60,000 extra to actually complete those projects themselves. He indicated that is a lot of money the taxpayers funded. Mr. Byron indicated that there was a project on Albuquerque and Page that was completed over budget.

Mr. Spencer asked why they are not written as special warrant articles. Mr. Byron commented that any remaining balance still goes back into the general fund. Mr. Hoch indicated that a special article binds you to that purpose, but one that is not a special article can be for any an unspecified purpose.

Mr. Spencer commented that is what Mr. Cutter is trying to say. Mr. Byron commented that Mr. Cutter's point is that we are over-appropriating and coming in too far off the cost.

Mr. Cutter commented that we review smaller line items and this is such a significant amount.

Mrs. Couture commented that the roof was completed under budget. She indicated that we chastise people who are doing a better job and cautioned Committee members about the message that is being sent.

Mr. Pascucci commented our town doesn't view it that way and the taxpayers are looking for ways to spend less.

Mr. Spencer commented on Line 650, Field Maintenance. He indicated that \$32,000 has been spent to date and \$36,000 was spent last year. He was concerned that \$43,000 is high. Mr. Hoch informed the Committee that the Recreation Committee will be opening bids for mowing on Tuesday night.

Mr. Pascucci asked if a bid will be locked in once the bids are open. Mr. Hoch indicated they will open the bids and review them and decide what they will do at another meeting. He noted that we will know low and high bid amounts.

Mr. Spencer commented on Line 730, Field Improvement-Capital Layout, noting that nothing was spent this year. Mr. Hoch indicated that we spent the money on building repair.

- **Budget Voting**

4191.1 Planning Board

MOTION: Mr. Pascucci

Move to reduce Line 392, NRPC Planner, by \$1,000

SECOND: by Mr. Cutter

Mr. Pascucci indicated that he shared his reasons at the October 30 Budget Committee meeting.

VOTE: 7-2-0, with Mr. Byron and Mr. Bourque opposing

The motion passed.

MOTION: Mr. Cutter

Move to reduce Line 329, Recording Fees, to \$0 (zero)

SECOND: by Mr. Pascucci

Mr. Cutter indicated the recording fees were never spent.

VOTE: 7-2-0, with Mr. Byron and Mr. Bourque opposing

The motion passed.

MOTION: Mr. Cutter

Move to reduce Line 625, Postage, by \$100

SECOND: by Mr. Pascucci

Mr. Cutter indicated that postage has not exceeded \$50 in the past.

VOTE: 7-2-0, with Mr. Byron and Mr. Bourque opposing
The motion passed.

4191.3 Zoning Board

MOTION: Mr. Cutter

Move to reduce Line 811, Seminars, by \$70

SECOND: by Mrs. Douglas

Mr. Cutter commented that line item has never been completely expended.

VOTE: 7-2-0, with Mr. Byron and Mr. Bourque opposing
The motion passed.

4194.1 General Governmental Facilities

MOTION: Mrs. Couture

Move to reduce Line 635, Generator Diesel Fuel, by \$3,000

SECOND: by Mr. Pascucci

Mrs. Couture believes there will still be a generous amount in the line item. She noted that Mr. Byron sent information last month, but there has been a reduction in prices.

Mr. Pascucci also believes that gas prices are going to decrease. He commented he is optimistic that prices will be lower.

VOTE: 7-2-0, with Mr. Byron and Mr. Bourque opposing
The motion passed.

Mr. Vaillancourt asked why the propane budget is so high. Mr. Hoch indicated that propane was under budgeted last year and there are still two more fills left to the year.

Mr. Pascucci commented that this is a difficult budget to gauge and that if there were meters on the tanks it would be easier to see how much is used in each location. Mr. Hoch indicated that the past winter was unusually cold and it is unknown what this winter will be like.

MOTION: Mr. Vaillancourt

Move to reduce Line 411, Propane Gas, by \$1,000

SECOND: by Mr. Spencer

Mr. Vaillancourt commented that he based the reduction on what was spent to date and feels that \$6,100 is a good number.

Mr. Hoch commented that he will fill twice by the end of the year.

Mr. Vaillancourt asked if there is a contract price for gas for municipalities. Mr. Hoch indicated that the Town has an agreement with their vendor.

Mr. Spencer commented that we are going to look at the bottom line in December.

**VOTE: 6-3-0, with Mr. Byron, Mr. Cutter and Mr. Bourque opposing
The motion passed.**

4195 Cemeteries

MOTION: by Mr. Cutter

Motion to reduce Line 650, Groundskeeping, by \$665

SECOND: by Mr. Spencer

Mr. Cutter commented that the reduction is high based on what was spent this year.

**VOTE: 7-2-0, with Mr. Byron and Mr. Bourque opposing
The motion passed.**

4215.1 Ambulance

There were no motion.

4220.1 Fire Department

MOTION: by Mr. Cutter

Motion to reduce Line 120, Wages Call Firefighter, by \$5,000

SECOND: by Mr. Spencer

Mr. Cutter commented that the Committee discussed this line item last week. He believes the amount is high.

Mr. Byron asked Mr. Cutter what number of calls he believes will occur in 2015.

Mr. Spencer commented that what was budgeted was more than what was spent last year and more than what will be spent this year.

**VOTE: 7-2-0, with Mr. Byron and Mr. Bourque opposing
The motion passed.**

MOTION: by Mr. Cutter

Motion to reduce Line 140, Overtime, by \$1,000

SECOND: by Mr. Peeples

Mr. Cutter asked to be reminded about the rationale for the amount budgeted in Line 140. Mr. Hoch indicated it is a variable on when calls come in, how long the firefighters stay on site and what service they perform.

Mrs. Couture commented that approximately \$9,000 was spent last year and agreed that \$1,000 reduction is appropriate.

VOTE: 7-2-0, with Mr. Byron and Mr. Bourque opposing

The motion passed.

Mr. Cutter commented that we also had a discussion about replacing two thermal imaging cameras.

Mr. Peeples commented that he was not aware the fire department had two cameras. Mr. Cutter indicated they have three and one 1990 vintage model. Mrs. Couture explained that several Committee members went on a tour and saw the cameras in action. She noted that we felt one was not enough and the Chief believes it is beneficial to have two new cameras every year.

Mr. Byron indicated the Chief decided he would rather have one new camera.

MOTION: by Mr. Spencer

Move to reduce Line 127, Training Wages, by \$2,000

SECOND: by Mr. Pascucci

Mr. Spencer commented that this line was not totally expended last year nor will it be completely spent this year. He indicated that this is a line where they may not do everything they want. He noted it is a conservative reduction.

Mr. Byron commented that decreasing training leads to having firefighters who do not have the skills they need to do their jobs. He believes the citizens would not like that to happen.

MOTION: by Mrs. Couture

Move to amend the motion to reduce Line 127, Training Wages, by \$5,000

SECOND: BY Mr. Pascucci

Mrs. Couture commented based on what was spent over the past two years, \$42,000 is a reasonable number.

Mr. Pascucci agreed that firefighters should be trained. He commented that the intent is to train all firefighters and use all the money, but it never seems to work out that way.

Mr. Cutter indicated that in 2013 \$47,000 was budgeted and \$36,000 was spent and in 2014 \$36,000 has been spent to date.

VOTE ON THE AMENDED MOTION: 7-2-0, with Mr. Byron and Mr. Bourque opposing
The amended motion passed.

VOTE ON THE MAIN MOTION TO REVISE LINE 127, TRAINING WAGES, TO A
BOTTOM LINE OF \$42,175: 7-2-0, with Mr. Byron and Mr. Bourque opposing
The motion passed.

4220.9 Hydrants

MOTION: by Mr. Cutter

Move to reduce Line 412, Fire-Hydrants, by \$4,017.12

SECOND: by Mrs. Douglas

VOTE: 8-1-0, with Mr. Bourque opposing
The motion carried.

4241.2 Code Enforcement

There were no motions.

4290.1 Emergency Management

There were no motions.

4411.1 Health

There were no motions.

4611.2 Conservation

MOTION: by Mr. Spencer

Move to increase Line 430, Property Management, to \$750

SECOND: by Mr. Peeples

Mr. Spencer commented that voters approved changing the fund, but he does not believe that moving the money for land purchases out of that fund was the intent.

Mr. Byron indicated that money is being used to manage the Moore's Falls property. Mr. Hoch commented that the money for land purchases was taken out of that fund and what is proposed that is property management is coming out of that fund.

Mr. Pascucci believes that the intent of the voters be followed and if the intent was just for the milfoil removal the money should be in the budget.

Mr. Peeples commented that he is opposed to using the money out of the conservation fund. He indicated taking the money out of that fund and reducing the budget to zero is wrong.

Mr. Bryon clarified that it was a land purpose fund and was changed by law to a conservation fund, which the voters approved. He indicated that the law states it can be used for any purpose in the chapter. He noted that fund can be used for property management. Mr. Spencer disagreed.

Mr. Byron commented that the money is being used for maintenance and upkeep at Moore's Falls. Mr. Peeples commented that it was for all property management across all properties. Mr. Byron indicated that Moore's Falls is all that is scheduled.

Mrs. Couture asked about the wording of the warrant article. Mr. Byron commented that the wording in the article states that this fund can be used for all purposes under the law.

Mr. Peeples commented that he voted on putting this money away in the conservation fund.

Mr. Cutter commented that it appears that most of the Committee is in favor, but he does not support the motion.

Mr. Spencer indicated that the Conservation Committee is in support. Mr. Hoch commented that the Conservation Committee was entertaining adding this in.

Mr. Pascucci asked for the rationale of the Board of Selectmen. Mr. Byron indicated that it was felt by the Board of Selectmen that the money should be taken from the conservation fund. He noted that they wanted the Board of Selectmen to pay legal expenses and the Board felt if they are managing the property to take it out of the fund. Mr. Byron commented that the law states they can spend any money under the law without going to Town Meeting. He indicated there was discussion by the Board of Selectmen to zero out the Conservation Committee. He noted we discussed it and agreed we should take property management out of the conservation fund because that is what those funds are for as well.

Mr. Pascucci commented that milfoil fell under that article. Mr. Hoch indicated that the article does not mention milfoil.

Mr. Cutter indicated that nothing was budgeted or spent in that account, nothing was spent in 2013 and \$50 was budgeted in 2012. He noted that it has never been used.

Mr. Byron commented that they rent some things and mark areas for brush. Mr. Peeples commented that the town always supported the Conservation Committee. He indicated that it is a meager budget, but they spend it wisely. He noted they have been entrusted with that money and it is important to support them.

MOTION: by Mr. Cutter

Move to amend the motion to increase Line 430, Property Management, by \$100

SECOND: by Mr. Pascucci

Mr. Pascucci commented that he wants to see what the article states and its intent. He indicated that he would like to make sure the voters' intent is in there and if the Conservation Committee wants to give us a number, we can discuss it.

VOTE: 7-2-0, with Mr. Byron and Mr. Bourque opposing

The motion passed.

VOTE ON THE MAIN MOTION TO REVISE LINE 430, PROPERTY MANAGEMENT, TO A BOTTOM LINE OF \$100: 7-2-0, with Mr. Byron and Mr. Bourque opposing

The motion passed.

- **Review of Expenditures**

7. MEMBER INPUT/NEW BUSINESS

Mr. Pascucci commented that gave credit to the Board of Selectmen for the overall budget and the way it was prepared [starting from last year's default number]. He noted that there has been good conversation with the Board of Selectmen over the years with good people working together and fine tuning the numbers. Mr. Pascucci commented that he is trying to determine what part of the budget the voters did not like. He indicated if you look at the recent government elections and results they show that Litchfield is right of center. He noted that the people overwhelmingly voted Republican even though we lost at the state level. Mr. Pascucci commented that the town is conservative and people understand we need town services, but they need justification. He indicated they deserve that justification as it explains much.

Mr. Cutter shared a summary of the voting for the past two weeks: reductions to date \$36,452.12, which leaves a delta of \$197,193.80 that is an increase over this year's budget.

Referring to Mr. Pascucci's request for the wording of the conservation fund article, Mr. Byron read the article:

To see if the Town will vote to rename the fund which has in the past been referred to interchangeably as the Town Conservation Fund, the Conservation Land Acquisition Fund and the Conservation and Land Acquisition Fund to the "Conservation Fund," and to confirm that this fund may be used for all purposes authorized for conservation funds under RSA 36A.

Mr. Peeples commented that all the votes leading up to that was for the use of putting the money away. Mr. Byron indicated that a change was made four years ago when the fund totaled near \$1M. He noted we changed the distribution from 100% to 80% / 20%, which was a mistake. He commented that the slide for the article described what the article could be used for.

Mr. Peeples indicated that if you go back to 2002, it was clear that those votes were to put the money away. Mr. Bourque pointed out that was 13 years ago.

Mr. Spencer asked if there are definitive dates for voting the bottom lines of the town and school budgets. Mrs. Couture indicated that one was set aside for the town and one for the school.

Mr. Byron noted that we are schedule to vote on all accounts and have the financial impact of the warrant on January 6, 2015. Mrs. Couture indicated that the school district is schedule for January 8, 2015.

Mr. Spencer asked when the Budget Committee will receive the school budget. Mr. Bourque indicated that the budget will be delivered on November 20.

Mrs. Couture commented that she would like to make sure that Committee members are working together and respectful to each other. She indicated that when we have a vote, members that do not understand why someone voted a certain way should ask why, but not criticize anyone for their reason. Mrs. Couture noted that last week she and Mr. Vaillancourt were called out for the reasons we voted the way we did. She commented that she does not ever remember a referendum about the town wanting votes on new positions on warrant articles. She indicated there are two warrant articles on the school district side. Mrs. Couture read the 2004 warrant article:

Shall the Litchfield School District support the School Board in placing in the operating budget those positions, agreed to by the Budget Committee, that are needed to meet the minimum state and federal standards or to maintain services at current year levels?

She indicated that is her basis for following what the voters said – an independent look from the Budget Committee and if needed to maintain current levels.

Mr. Spencer clarified that his question was if you would follow the voters' position on warrant articles and the answer was yes. Mrs. Couture disagreed and commented there was never a voter direction to do anything different than this. She believes this is why Committee members need to be respectful to other members' reasons. She indicated any criticism should be given outside of the meeting.

Mr. Vaillancourt indicated that he did not view what was in the budget as a new position, but someone doing it for free.

Mr. Cutter commented that the person was a volunteer.

Mr. Peeples commented to that end this is a good time to bring up what the level of services are. He indicated that enrollment is declining and providing the same level of services should cost less.

Mr. Pascucci commented that the subject of new positions on warrant articles is contentious every year. He suggested bringing it up during member input as we need to be held accountable.

Mr. Cutter requested the FY16 school district budget executive summary.

8. PUBLIC INPUT

There was no public input.

- **Upcoming meetings**

The next meeting of the Budget Committee is scheduled on November 13, 2014.

MOTION: by Mr. Cutter

Move to adjourn.

SECOND: Mr. Peeples

VOTE: 9-0-0

The motion passed unanimously.

There being no further business, the meeting adjourned at 9:15 p.m.

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

Date approved: **November 20, 2014**