

DRAFT

Minutes of the Litchfield Budget Committee Meeting Held on March 26, 2015

The Litchfield Budget Committee held a meeting on Thursday, March 26, 2015 at Campbell High School, 1 Highlander Court, Litchfield, NH 03052.

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

Absent: R Peeples

1. **CALL TO ORDER**

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

2. **PLEDGE OF ALLEGIANCE**

3. **ELECTION OF CHAIR, VICE CHAIR, WELCOME TO NEW MEMBER**

MOTION: by Mr. Pascucci

Move to nominate Cindy Couture as Budget Committee Chair

SECOND: by Mrs. Douglas

MOTION: Mr. Byron

Move to nominate Chris Pascucci as Budget Committee Chair

SECOND: by Mr. Bourque

Mr. Pascucci thanked Mr. Byron for the nomination, but declined the nomination.

VOTE: 7-0-1

The motion passed. Mrs. Couture was elected as Chair.

MOTION: by Mr. Spencer

Move to nominate Keri Douglas as Budget Committee Vice Chair

SECOND: by Mr. Pascucci

MOTION: Mr. Byron

Move to nominate Chris Pascucci as Budget Committee Vice Chair

SECOND: by Mr. Bourque

Mr. Pascucci thanked Mr. Byron for the nomination, but declined the nomination.

VOTE: 7-0-1

The motion passed. Mrs. Douglas was elected as Vice Chair.

Mrs. Couture welcomed new member Robert Keating.

Mr. Byron asked Mr. Keating for a background overview.

Mr. Keating commented that he has lived in Litchfield for two years with his wife and two sons, held a Coast Guard post and has worked in the City of Manchester for 17 years. He added his sons attend GMS and he volunteers for Soccer in the Recreation Program.

4. PUBLIC INPUT

There was no public input.

5. PRIOR MEETING MINUTE APPROVAL

- **January 31, 2015**

MOTION: by Mr. Pascucci

Move to approve the minutes of January 31, 2015

SECOND: by Mrs. Douglas

VOTE: 7-0-1, with Mr. Keating abstaining.

The motion passed.

6. ELECTION RESULTS

Mrs. Couture reviewed 2015 Town election results. She indicated that Mr. Regan was re-elected as Moderator, Steve Perry was elected to the Board of Selectmen, and Robert Keating and Bill Spencer were elected to the Budget Committee. She noted results of the warrants:

- Article 5: Operating Budget passed
- Article 6: Road Improvements passed
- Article 7: FD AirPacks passed
- Article 8: Utility Truck passed
- Article 9: FD Parking Lot failed
- Article 10: Public Works Trust Fund passed
- Article 11: Paint Striping Machine failed
- Article 12: Rt. 102 Intersection failed
- Article 13: Human Services passed
- Article 14: Non-Union Wage Plan passed
- Article 15: Capital Reserve Mgmt passed
- Article 16: Tax Cap passed
- Article 17: Budgeting for Leases passed
- Petition Article: Cable Coordinator failed.

Mr. Spencer commented that the tax cap article applies to the town, but it is clear from the vote that the town wants the tax cap to apply to both town and school district. He requested that the School Board consider bringing a tax cap article forward in 2016. Mr. Spencer referred to Article 17, Budgeting for Leases, and commented that the people have spoken and the article applies to the school district as well as the town.

Mr. Pascucci asked what the Budget Committee is directed to do with the approval of the lease article.

Mrs. Couture indicated that the article was asking citizens how they felt about incorporating leases into the budget.

Mr. Pascucci commented that the article states ‘.....as proposed by the governing body’. He asked if the Budget Committee would be expected to agree with budgeting the lease if the governing body brings it forward.

Mr. Byron commented it is clear now that the people are fine with leases being part of the budget. He clarified that if the governing body comes forward with a lease purchase and if it makes the best sense with the town, the Budget Committee should feel comfortable that the citizens are comfortable with including the lease in the budget.

Mr. Pascucci was concerned that the wording of the article. He commented that the Budget Committee is already doing what the article states.

Mrs. Couture commented in the past the Budget Committee agreed with lease purchases included in the budget, but this committee was concerned that was not the right way to go forward. She indicated the Budget Committee struggled with some of the items in this budget and asked the town to budget an outright purchase instead of a lease purchase.

Mr. Pascucci indicated there was much discussion on this issue and this committee did recommend an outright purchase, which the voters approved. He commented that we have budgeted multi-year leases in the past and the budget failed. He noted this does not change his opinion.

Mr. Bourque suggested the Committee at least consider a lease because there are times a lease makes more sense.

Mr. Byron commented that this Committee stated they will not support leases in the budget. He indicated this clearly says to use a lease if it makes the best sense.

Mr. Pascucci commented if we lease one cruiser at \$45,000 per year and toggle lease payments each year we will always be budgeting \$45,000. He recommended budgeting for an outright purchase.

Mr. Keating indicated the units are running 24/7. He commented when you look at the leasing price and the maintenance cost that is the difference. He noted if the maintenance is covered under the lease then repairs are not budgeted.

Mr. Pascucci commented there are no extras included in the lease.

Mr. Keating commented in the third year of the lease it would be best to turn the cruiser in and lease another because maintenance would be too costly. He noted smaller towns can work out an agreement with dealerships in the southern tier of the state.

Mrs. Douglas commented all information should be presented at the town budget session.

Mrs. Couture reviewed the school district election results and indicated the budget and all warrants were approved.

- **Correspondence**

Mrs. Couture reported that the Budget Committee received the district financial report and district enrollments.

Mr. Spencer commented that pre-enrollment looks on target with projections for next year. He noted that this report was sent with 'ins and outs' and was very helpful. He requested that the Budget Committee receive the enrollment report in that format going forward.

7. **REPORTS**

- **Town Business**

Mr. Byron reported that the engine of Cruiser 3 had to be replaced and the cruiser went back on line today. He noted the cruiser is approximately 2-3 years old and may have had an Econoboost engine, which tend to stop working from high output. He indicated the engine replacement was covered under the warranty.

Mr. Pascucci if the replacement engine was the same as the original is there concern it will happen again.

Mr. Byron commented he does not know if the same issue will occur. He reported that one police officer left the force and the town is looking for a replacement. Mr. Byron reported on the highway expense report: Contractor Services is over spent by \$16,737; Sand is over spent by \$2,073; Salt is over spent by 41%; and the Snowplow budget was over spent. He noted that the President has signed an emergency declaration to cover the two day storm in February and Litchfield could receive approximately \$20,000.

Mr. Byron commented that last year the Budget Committee asked for weekly expense reports. He asked the Committee if they wanted to continue with that method of distribution. He noted there was also a request to change our accounting on a month-end basis.

Budget Committee members weighed in and affirmed they would like to continue on the distribution list for weekly reports.

Mr. Byron commented that town tours were done last year and asked Budget Committee members if they wanted tours to continue.

Mrs. Couture indicated that the tours are helpful around the budget season as the town is better equipped to project what may affect the budget.

Mr. Byron commented that he spoke to the Committee about a different approach with the budget. He indicated he has not yet had time to complete the proposal, but will do so and provide it to the Committee.

Mr. Spencer asked for confirmation that Mr. Pinciario was appointed as the Road Agent. Mr. Byron confirmed that the Board of Selectmen appointed Mr. Pinciario as the Road Agent.

Mrs. Couture inquired about the shed that collapsed. Mr. Byron indicated it was a Quonset type hut that collapsed and is covered by insurance.

- **School Business**

Mr. Bourque reported that the district is working on re-aligning the budget and the School Board will be discussing the alignment on April 8. Mr. Bourque indicated that there will be savings in oil contracts. He reported that the School Board discussed the budget process and how to make improvement. Mr. Bourque noted that the School Board asked to receive the budget one month earlier to try to deliver it to the Budget Committee three weeks early. He commented that having the administrators attend after the presentation gives the Budget Committee more time to dissect it and have questions for the administrators when they are present.

Mr. Spencer asked if the buses for vocational education will be restructured. Mr. Bourque indicated that the selected schools are Alvirne and Pinkerton.

Mr. Spencer asked about the decision for regular transportation. Mr. Bourque indicated that the district will work with 9 buses.

Mr. Spencer requested bus load counts.

Mr. Byron commented at the State level the House Finance Committee put forward a budget for 2016 and did not change school aid. He noted there are adjustments for 2017. Mr. Byron indicated that he is working closely with Dr. Cochrane and was informed that there is a difference of \$108,000 in education aid for the 2016 budget. He commented that he found there was a \$9.3M reduction for school aid in the State and it appears that Litchfield's aid may be reduced by \$108,000 in 2016. Mr. Byron mentioned in 2017 the stabilization has to reflect the population of districts and several towns are projected to increase. He commented they were upset if they did not get their school aid and some towns are going to get hit hard. Mr. Byron indicated that the proposal out of the House Finance Committee was that no town would lose more than \$750,000, which means that Litchfield may lose \$750,000 in 2017. He commented that the House and Senate still have to vote on this and then it will go to Committee of conference. Mr. Byron stated not to rely on the numbers at this time. He commented they are trying to wean municipalities off the stabilization over time.

Mrs. Douglas believes it is not fair to lose a flat rate across the board and that the distribution is not fair.

Mr. Byron commented that the budget is not final until June and there are many steps between now and then.

8. MEMBER INPUT/NEW BUSINESS

- **Budget Calendar 2015/2016**

Mrs. Couture provided a 2016-2016 calendar for the calendar discussion. She commented last year the town delivered the budget to the Budget Committee earlier so we could begin by October 2.

Mr. Spencer commented that Mr. Byron's proposal regarding budget review made much sense.

Mrs. Couture noted the School Board budget was delivered mid-November with an overview and the Budget Committee worked on the budget in December.

Mr. Bourque commented that it is anticipated the district budget will be completed much earlier this year.

Mrs. Couture indicated that it can be assumed the town budgets will be ready in October and the Budget Committee can meet each Thursday to work on the budgets. She suggested Budget Committee meetings for work on the district budget be scheduled November 5, 12, 19 and December 3, 10, 17. Mrs. Couture noted that we voted the final numbers in January last year.

Budget Committee members seemed to be in agreement. Mrs. Couture offered to draft the calendar and send it to Committee members.

9. PUBLIC INPUT

Jason Guerrette, 11 Perry Court, welcomed Mr. Keating to the Budget Committee. Referring to electric costs, he commented that the school district implemented a Smart Start saving project and those savings should start being realized.

Mr. Spencer commented that there were some savings at GMS, but the program is still running at LMS and CHS.

10. ADJOURN

MOTION: by Mr. Spencer

Move to adjourn

SECOND: by Mrs. Douglas

VOTE: 8-0-0

The motion passed.

- **Upcoming meetings**

The next meeting of the Budget Committee will be April 23, 2015.

There being no further business, the meeting adjourned at 7:55 p.m.

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