

DRAFT

Minutes of the Litchfield Budget Committee Meeting Held on April 23, 2015

The Litchfield Budget Committee held a meeting on Thursday, April 23, 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, R Keating, B Bourque (School Board Representative), F Byron (Selectmen's Representative)

Absent: D Vaillancourt

1. CALL TO ORDER

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

2. PLEDGE OF ALLEGIANCE

3. PUBLIC INPUT

There was no public input.

4. REVIEW/ADDITIONS TO AGENDA

5. PRIOR MEETING MINUTE APPROVAL

- **March 26, 2015**

MOTION: by Mr. Pascucci

Move to approve the minutes of March 26, 2015

SECOND: by Mrs. Douglas

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

The motion passed.

6. CORRESPONDENCE

Mrs. Couture reported the following correspondence was received since the last meeting: information regarding enrollment data, district bus use information, school financials, March district enrollment, a letter from Frank Byron, information regarding the status of the town salt sheds, and weekly expense reports from the town.

7. REPORTS

- **Town Business**

- General Updates

Mr. Byron reported:

- the state of affairs in terms of snow plowing is reflected in the expenditures report,
- the Agricultural Commission is looking for volunteers,
- a fire replacement vehicle has not been found to date (town warrant article),
- tazers have been replaced for police officers,
- no status on the grant for the Air Packs,

- Property Liability Trust (LGC) has stated they have closed their doors and will not take in new clients,
- effective July 2016 the town will use Primex as their liability trust insurance,
- a donation was made to the town for paving at Darrah Pond (parking) – no taxpayer money is being used.

- Special Fund Balances

Mr. Byron talked about the Special Fund Balance Accounts. He provided an explanation of the different accounts for the Budget Committee. Offset by revenue.

Police Detail Fund: police that handle a detail are paid out of the budget and those funds are replenished through this fund.

Recreation Revolving Fund: used to buy movie tickets, for comedy nights, Winterfest, recreational activities. Offset by revenue.

Sawmill Brook Recreation Fund: used in some cases for field use and restricted for recreation use. Explanation: the developer that put in the facility in the north part of town discussed dedicating that lot as a playground. The developer decided it would be more feasible to make a donation to the town for that purpose.

Conservation Land Fund: used to buy property.

Conservation Land Education: used to produce informational materials. These funds will be rolled into the Land Fund.

Cable Equipment Fund: monies that are collected from the franchise authority and used for equipment for broadcast. This is a one-time dedication to the town.

Cable Revolving Fund: used for people working for the Cable Commission. A 2% franchise fee is charged on cable bills and the fund replenishes over time. The Board of Selectmen reduced the fee from 5% to 2%.

Mr. Spencer commented that the \$45,000 balance has been there for some time.

Mrs. Couture indicated it is there for the length of the contract and it should be spent over the life of the contract [as equipment ages] rather than all at once.

Ambulance Revolving Fund: used for bad debt. Bills are sent from Hudson for payment and collected by Litchfield.

DARE Fund: used for DARE Officer, but Litchfield does not have a DARE Officer anymore. The funds are set aside and will remain until a decision is made.

Escrow Funds: part of the Planning Board function. Funds are used to hire an engineer, which is paid for by the developer. Litchfield sends the engineer to ensure the developer is building to specification. This fund also covers work done by the NRPC to review plans to ensure compliance with Litchfield codes.

Impact Fees: funds collected on new developments. These funds support expansion of town services. The town has recently adopted new criteria for impact fees.

Mr. Spencer commented that he understood the use for impact fees was based on growth.

Mr. Bryon indicated it is for capital improvements and takes new growth into consideration. He commented that because enrollment in the district is declining, school impact fees are not being used.

Mrs. Couture asked if the funds were also used for expanded services, for example, doing something more permanent for Kindergarten.

Mr. Byron indicated that one legal opinion is Kindergarten is not an expansion of services. Another legal opinion is to purchase the portables, for which some elementary impact fees were used.

Mr. Spencer asked if that situation is similar to all other impact accounts.

Mr. Byron commented that it should be, but there is no evidence the town is losing population. He indicated the school population is declining. He noted the two are not connected.

Fire Detail: firefighters that go on an event are paid out of the budget and those monies are replenished through this fund.

Police Forfeiture Fund: confiscated items from those arrested by the police department. Money cannot be spent without going through the Federal government checklist.

Parker Footbridge Fund: the town used to have a small parking area with the footbridge that was located at the end of Pinecrest Road. The DOT donated that money to the town and now there is a small parking lot on the other side of the road. There is no further need for a footbridge and the Board of Selected will investigate how that money can be used elsewhere.

NH Grants Fund: categorize monies from the State kept in a controlled account.

275th Anniversary Fund: money was dedicated to town in 2011 to celebrate the 275th anniversary of the town. There is some money left over, but was not used as planned by the Board of Selectmen for the gazebo at Darrah Pond as voted by the Recreation Commission.

Industrial Development Fund: money given to the town to handle how we want to develop industry. Money has been combined from donations to study a sewer system.

Crowell Investments Fund: no data can be found on this fund. The fund was established in 1991. Some monies have been used for some repairs on Albuquerque Avenue in the past.

Town Timber Fund: several years ago two areas of the town were logged out. The County Arborist developed a plan for that logging (Sawmill Brook areas). The money for the Town Hall was kept separate and the Board of Selectmen decided to set that money aside to use for improvements around the Town Hall.

Highway Block Grant: money comes in, is held and spent.

Stimulus Bike Path Fund: holds money given to the town from federal and state sources for construction for parts of the bike path. The money will be used to maintain the bike path.

LGC Surplus Fund: money received from Health Trust surpluses.

Planning Board Grants Fund: funds that would hold grants.

Unanticipated Revenue: money that would be collected from unanticipated revenue through the course of the year. Property liability money may be deposited in this fund. The funds will either be earmarked for a special purpose or put in the general fund.

Mr. Keating referred to the Police Detail fund and commented that money should be left in there due to the delay in contractor payments.

Mr. Byron commented those funds should be zeroed out and all the money collected should be used for that purpose. He noted we have to pay officers that work right away on details. He indicated that vehicle costs and administrative costs would be deposited once the contractor makes payments.

Mr. Keating commented that is money that cannot go into the books.

Mr. Byron concurred and explained that is because the books were not adequately kept in the past. He clarified these balances are only a snapshot in time. He indicated we will be spending some of the fire detail money to handle equipment upgrades, which will work the same way in which we use the police detail funds. Mr. Byron commented we pay the money to the employee out of the budget and replenish that money through these funds.

- o RSA 32:22; Review of Expenditures

Mr. Spencer asked how the town has resolved the maintenance of the IT equipment. He wanted to know if the town has contracted services or is paying a stipend.

Mr. Byron indicated nothing has changed at this time. He commented no stipend is being paid and no decisions have been made.

- **School Business**

- General Updates

Mr. Bourque reported that the hiring of a Database Administrator (approved warrant article) is on hold. He reported that the district has lost the IT Director and a new director must be hired before we can go forward with a database administrator. He indicated that the district is in the process of interviewing for a new director and the IT Technician is handling tasks within his abilities. He commented the School Board is also discussing whether we can go forward with the new Student Information System. Mr. Bourque referred to the March enrollment report and indicated the fourth grade class now has 100 students enrolled. He commented that the fourth grade teacher has been funded next year. Mr. Bourque reported that the FY17 proposed budget will be delivered on November 11.

Mrs. Couture wanted to know why it would not be delivered on November 5. Mr. Bourque commented that he has not yet met with the Superintendent and Business Administrator regarding the budget schedule. He noted he will ask if the district can deliver the budget sooner. Mr. Bourque indicated the Budget Committee will receive a much cleaner budget as reported by the Business Administrator.

Mrs. Couture commented that since the budget will be developed over the summer it is surprising that September and October will pass without any work product. Mr. Bourque commented that there is a possibility it can be delivered sooner.

Mr. Bourque reported that a Board member suggested a member of the Budget Committee attend School Board budget work sessions to give the Budget Committee an idea of the thought process of the School Board.

Mrs. Couture asked if that member would be able to provide input.

Mr. Bourque indicated that the Committee member would be able to watch while the School Board works through the budget.

Mr. Spencer asked if the Committee member would be able to participate. Mrs. Couture indicated that the Committee member would attend and listen.

Mr. Spencer commented that in the past he attended School Board meetings and it would not be worthwhile if a Committee member attended and could not participate or offer input.

Mr. Bourque indicated the Committee member could comment during public input. Mr. Spencer indicated it is not the right forum.

- Revised 2016 Budget

Mrs. Couture noted that the Budget Committee received a budget update and asked Committee members if they had any questions.

8. **MEMBER INPUT/NEW BUSINESS**

- **2015/16 Calendar**

Mrs. Couture provided an updated budget meeting calendar with dates for review. She indicated Mr. Markiewicz sent his thoughts of the process for the budget review.

Process for budget season 2015/16

Mrs. Couture referred to a letter previously sent to the Budget Committee by Mr. Byron regarding suggestions for the budget review process. She asked Committee members their thoughts on what should be done differently.

Mr. Byron indicated the letter was sent as a private individual. He explained that his suggestions would allow the Budget Committee to receive the town budget earlier so members could spend time going through the budget and the Board of Selectmen could prepare for questions, discussions and direction. He indicated it would make the budget transparent to people and the Budget Committee and then bring in resources (i.e. department heads) who may need to answer questions. Mr. Byron commented the benefit would be that the Budget Committee gets to do an in depth analysis of the budget. He noted that sometimes it appears Committee members have not had a chance to look at the budget before its presentation and review. He indicated it is frustrating to invite department heads in to present the budget and not be in attendance on the night Committee members have questions. Mr. Byron noted time can be saved with his proposal. He commented if a majority of the Budget Committee is satisfied with the budget at that time it can be voted without the department heads attending.

Mrs. Couture explained what occurred two years ago was the Committee reviewed the town budget and at the end of the review (after voting occurred) changes were presented by the Board of Selectmen. She indicated the frustration was over the last minute changes. She noted that the Committee tried to go through a different process this year and held the final vote until the beginning of January in the event changes occurred. Mrs. Couture indicated the goal was if any outstanding questions arose or any information had changed, the budget was still open and final votes took place with enough time to make adjustments. She asked how Mr. Byron's proposal will make that process any better.

Mr. Byron commented having free range of discussion as a group of people rather than being presented with the budget and voting the following week would allow the Budget Committee to familiarize themselves with the details of the budget.

Mr. Spencer commented that Mr. Byron's proposal is similar to the school district model. He indicated it is up to them when they have their department heads attend. He noted the Superintendent presents the budget and then has the department heads attend. He suggested that budget members are able to share proposals with the Committee, which is missing from Mr. Byron's proposal.

Mr. Byron indicated being able to understand the concerns of the Budget Committee gives the governing body a chance to address those issues.

Mr. Bourque commented that is similar to the school district budget process. He indicated we present the budget and the administrators attend the following week to answer questions for the Budget Committee.

Mr. Spencer commented it is the School Board's prerogative to bring them to both meetings.

Mr. Bourque indicated they do not need to attend both meetings.

Mr. Spencer commented questions will arise either way. He indicated if we get communicate our questions with enough time for the School Board to see what we are proposing there is less confusion. He noted sometimes questions do not come up when the budget is presented, but will trigger questions when the department heads are in attendance.

Mrs. Couture agreed with Mr. Spencer and commented when she was a Board member that Board asked administrators to attend on both nights.

Mr. Pascucci commented we have asked that and faced resistance. He indicated it is their prerogative and believes that the Budget Committee does not have to do anything differently.

Mr. Spencer commented that Mr. Byron's concern is that each one of us are different and spend different amounts of time delving into the budget. He indicated Mr. Byron proposed the Committee would have a chance to get something out ahead of time before we vote.

Mrs. Couture commented the process for the town needs to be the same as the process for the school district. She indicated that the district provides an executive summary first then perhaps the Budget Committee has a general discussion about the bottom line. She noted as the Committee goes through the budget proposals are submitted ahead of time so that we are all prepared when we come to the meeting.

Mr. Peebles requested to think about this until the next meeting.

Mrs. Douglas was concerned about Committee members sharing their thought process for fear of an illegal meeting occurring.

Mrs. Couture indicated all comments should go through the Chair.

Mr. Pascucci commented that there is an assumption we are not prepared and not studying the budget in depth. He believes a good conversation took place. He indicated what may be lacking is a second chance to talk about the reductions of the Budget Committee.

Mrs. Couture indicated that was the goal of the meeting during the first week of January – to revisit everything in the event additional information was received or presented. She commented we can keep the discussion about bringing reductions ahead of time or utilizing the current process open.

Mr. Pascucci commented that Committee members do study the budget and there are second chances.

Mr. Byron commented he presented the proposal to accomplish more of a productive interaction between the Budget Committee and the Board of Selectmen. He noted his impression is that some Committee members come prepared and some are not so prepared. He indicated an open forum makes sense, educates the members on some level, and allows them to understand the thought process.

Mr. Spencer commented if we move forward with this the budget would be better prepared.

Mr. Peeples commented if we receive the school budget four weeks earlier we would have more time to study it as we do this at the busiest time of the year.

Mrs. Couture commented by receiving the school budget earlier we may be able to alleviate meeting two nights per week.

Mr. Bourque was confident that he, along with the Superintendent and Business Administrator, would be able to present the budget to the Budget Committee.

Mrs. Couture suggested the School Board take into consideration historical data when working through the budget.

Mr. Spencer commented the governing bodies are aware of issues this Committee has with both budgets. He indicated there are certain things we consistently inquire about.

Mr. Pascucci commented that as we near budget season we always discuss the expectations of the Budget Committee. He indicated that he would like to discuss what is expected in five years.

Mrs. Couture indicated that this Committee is a committee for one year and there have been many new faces during the years. She mentioned that the topic of bylaws was raised last year and asked if that is what Mr. Pascucci intended by a long-term look.

Mr. Pascucci indicated that bylaws could be part of the conversation. He believes it would be helpful to know where we will be five years from now.

Mr. Spencer agreed with Mrs. Couture. He commented that is not the role of the Budget Committee. He indicated this Committee's purpose is to present a reasonable budget to the people. He noted we know how to function and does not believe we should get into a situation where we are voting on bylaws.

Mrs. Couture indicated as long time members we know what the expectations are, but those new to the committee many not know this and that may help.

9. **PUBLIC INPUT**

There was no public input.

10. **ADJOURN**

MOTION: by Mr. Spencer

Move to adjourn

SECOND: by Mr. Peeples

VOTE: 8-0-0

The motion passed.

• **Upcoming meetings**

The next meeting of the Budget Committee will be May 28, 2015.

There being no further business, the meeting adjourned at 8:20 p.m.

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