

**Minutes of the
Litchfield Budget Committee Hearing
Held on October 8, 2015**

The Litchfield Budget Committee held a budget hearing on Thursday, October 8, 2015 at Campbell High School, One Highlander Court, Litchfield, NH 03052.

PRESENT: C Couture (Chair), K Douglas (Vice Chair), C Pascucci, B Spencer, R Keating, B Bourque (School Board Representative), F Bryon (Selectmen's Representative), T Brown (Town Administrator)

Absent: R Peebles (excused), D Vaillancourt (unexcused)

1. CALL TO ORDER

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

• PLEDGE OF ALLEGIANCE

2. PUBLIC INPUT

There was no public input.

3. REVIEW/ADDITIONS TO AGENDA

There were no additions to the agenda.

4. REVIEW/ACCEPTANCE OF MINUTES

• October 1, 2015

MOTION: by Mr. Pascucci

Motion to approve the minutes of October 1, 2015 as amended

SECOND: by Mrs. Douglas

VOTE: 6-0-1, with Mrs. Couture abstaining

The motion carried.

5. CORRESPONDENCE

Mrs. Couture reported that correspondence received included the September 2015 district financial report and the District October 1, 2015 enrollment. She indicated the October 1 enrollment will be placed on the October 15 agenda for commentary.

6. OVERVIEW OF BUDGET PROCESS

Mrs. Couture commented that there was a discussion at the last meeting regarding the budget process. She indicated that she looked at the discussion regarding the budget process the Budget Committee had in the spring and found that the Budget Committee decided to use the same process as last year with the exception of starting earlier with the school district and holding six meetings between November and December. Mrs. Couture noted it did not sound like

Committee members expressed a desire to change the process. She mentioned that the town may need an additional week to complete the budget process with the last meeting on November 4.

7. BUDGET REVIEW – TOWN

• **4130.1 Board of Selectmen (Executive)**

Mr. Byron presented the 2016 Executive budget with a total bottom line of \$112,253. He noted that the areas of decrease include the Town Administrator salary line and health/dental insurance.

Mr. Brown commented that the budget assumes a 10% increase for health insurance and a 3% increase for dental insurance. He indicated the policy renews on July 1 and the 10% increase is only budgeted for 6 months for planning purposes.

Mr. Spencer commented that we used to get correct numbers at the end of the year.

Mr. Brown indicated that it is anticipated that we will receive the numbers at the end of October or early November.

Mr. Byron commented we will provide a separate spreadsheet that will be affected by the change in healthcare and dental.

Mr. Brown indicated we will receive a premium that is set.

Mr. Byron reported that there is an increase in mileage and tolls. He commented that last year's Town Administrator had some travel in Concord and served on some committees that were established by the NHMA, as well as serving on the Board of Town Administrators.

Mrs. Couture asked if that is something in which Mr. Brown will be involved.

Mr. Brown anticipated traveling for the pipeline coalition, monthly for municipal meetings, and quarterly travel to NRPC meetings.

• **4130.3 Town Meeting**

Mr. Byron presented the 2016 Town Meeting budget with a total bottom line of \$13,674. He indicated there are four elections in 2016: the state primary in February, the March town election, the September primary and the November presidential election.

Mrs. Douglas asked if the town expects no increase on ballots. Mr. Byron indicated that ballots are provided by the State of NH for primary elections.

Mrs. Couture asked if the amount budgeted in the Election Provisions line is due to increased number of elections.

Mr. Byron indicated that line is for pens, paper, pencils and accoutrements needed to cast ballots. He offered to get more information from the Town Clerk and Moderator.

- **4140.1 Town Clerk**

Mr. Byron presented the 2016 Town Clerk budget with a total bottom line of \$99,295. He noted that the increase in the salary line is a result of town changes to salary based on the approved warrant article.

Mr. Brown indicated there is another line item in the budget to propose raising \$30,000 for the second phase of that wage plan.

Mrs. Douglas asked if there is a chart available outlining the salary schedules. She commented that she is seeing a 7% raise and wanted to know how much higher it would rise.

Mr. Byron indicated there is a chart available and noted the 7% increase may contain longevity.

Mrs. Couture asked if the chart can be shared with the Committee.

Mr. Spencer noted that the Budget Committee received it last year with the warrant article.

- **4150.1 Accounting**

Mr. Byron presented the 2016 Accounting budget with a total bottom line of \$215,117.

Mr. Spencer asked if the finance manager's salary increase is part of the wage plan.

Mr. Brown explained a survey was done and it was discovered that salaries were not in line with those on the survey. He indicated to make salaries competitive an adjustment was made, which was the first phase.

Mr. Spencer requested background on the finance manager position at the next meeting.

Mr. Byron clarified that the town did not identify any particular employee with that plan. He noted the current table did not show the current salary at that time.

Mr. Bourque asked if all positions are in line now.

Mr. Byron commented they are not and that will be discussed when we bring the spreadsheet to the Committee.

Mr. Pascucci commented some budgets have small amounts for overtime. He indicated this budget has meeting minute coverage. He asked if that is for a particular meeting.

Mr. Byron was not sure. Mr. Brown noted that currently employees use compensatory time and we only use overtime when necessary. He indicated it is not an option for the employer.

Mr. Pascucci asked why mileage and tolls have increased. Mr. Byron indicated that there may be more mileage and there is some level of bank deposits that are made.

Mr. Pascucci commented there are not that many deposits. Mr. Byron indicated deposits are made every day.

Mrs. Douglas commented that \$203 was spent in this line item in 2014. She asked in what account those trips are funded.

Mr. Byron indicated they should be under tax collector or treasurer.

Mrs. Couture commented that it appears that much is remaining in that account and it is now October. She asked when the reimbursements are expended and if we are on target for those reimbursements.

Mr. Brown noted he will speak to the town clerk/tax collector to see if a log is kept. He indicated there could be a lag of a month or two.

Mrs. Couture commented it is difficult to compare to last year since it is combined with other mileage. She asked if 38% of that budget is unexpended why show a moderate increase in that line?

Mr. Brown offered to review it. Mr. Byron commented that the Board of Selectmen generally see a 30 day tally at the end of the month.

Mrs. Couture requested additional background.

- **4150.2 Information Technology**

Mr. Byron presented the 2016 Information Technology budget with a total bottom line of \$97,140. He noted there is an increase in software support, a decrease in equipment maintenance and a decrease in equipment purchase.

Mrs. Douglas was concerned with the significant increase in Cisco Systems.

Mrs. Couture commented that NETAPP storage seems to be new.

Mr. Byron commented there are some parts replacements that need to be done and we can find out what they are.

Mrs. Douglas asked how the Cisco contract is structured and if the materials are frontloaded.

Mr. Byron indicated it is an outright purchase. He offered to provide more details.

Mr. Brown indicated there is documentation attached to the budget online that will provide clarification on the Cisco Systems Maintenance and NETAPP.

Mrs. Douglas expressed that she would like to know if this is a one-time cost or a frontloaded purchase.

Mr. Pascucci commented last year we added a significant cost for a full time IT manager. He observed that line decreased this year.

Mr. Byron indicated the Board of Selectmen is using Mr. Brunelle to perform those services.

Mr. Pascucci commented it is listed under contracted computer services. He expressed that he was concerned that the voters did not approve a new position.

Mr. Byron indicated it is a contracted services, which is why it is included in the budget.

Mrs. Douglas commented that a stipend position was requested last year and this is currently contracted service.

- **4150.4 Tax Collector**

Mr. Byron presented the 2016 Tax Collector budget with a total bottom line of \$95,937. He noted the only changes are in the salary lines.

Mrs. Couture asked why there is 42% of funds remaining in the postage line.

Mr. Brown indicated that the second tax bill will be mailed out. He was not sure if there will be any lien notices that will occur before January 1.

- **4153.1 Legal Expenses**

Mr. Byron presented the 2016 Legal Expenses budget with a total bottom line of \$15,000. He noted that it was reduced by \$5,000 because they received the run rate.

Mrs. Douglas asked about legal expenses for the pipeline coalition. Mr. Byron indicated the pipeline services will be on the warrant. He commented voters will decide if the town should continue with the pipeline consortium.

- **4197.1 Advertising & Regional Association**

Mr. Byron presented the 2016 Advertising & Regional Association bottom line with a total budget of \$14,149. He noted this budget is relatively flat. He indicated this budget provides for printing the sample town ballot for the HLN, public notices, RFPs and dues for the NHMA and NRPC.

Mr. Pascucci commented that the Board of Selectmen had an interesting conversation regarding the NHMA. He indicated that he heard at that meeting that the town gets legal advice for paying dues. He asked what the town receives for the dues budgeted.

Mr. Byron commented he was not sure what Mr. Pascucci was asking and offered to provide a benefit list. He noted there is no cost above the dues.

Mrs. Douglas asked if there is a way to track how much has been utilized. Mr. Byron indicated the town does not have that information.

Mr. Spencer asked how the NHMA is used.

Mr. Byron indicated that the town receives some legal advice, training, programs for budget workshops, which the Budget Committee has participated in, and the NHMA participates in Concord to try to influence legislation.

Mr. Pascucci commented when the NHMA came to the Budget Committee meeting we paid them and we pay for the workshop. He believes they are lobbyists.

Mr. Brown commented that they represent the best interest of municipalities.

- **4316.3 Street Lighting**

Mr. Byron presented the 2016 Street Lighting budget with a total bottom line of \$10,925. He noted the budget has been flat over the last year. He mentioned that two years ago there was an increase because we had to pay for changing lightbulbs.

Mr. Brown commented that we discussed this account today and would like to have more time to review this budget and to evaluate utility accounts. He believes this budget is underestimated. He noted updated numbers will be provided at the next meeting.

Mr. Byron commented that there is an electric eye on the lights, which turn on at dusk, calculate how much wattage and multiply it by the times that they turn on.

Mr. Pascucci asked if the annual cost decreased when the lightbulbs were switched. Mr. Byron indicated the cost decreased.

Mr. Pascucci commented that LEDs are more efficient. Mr. Byron indicated the town would incur a capital cost to replace all the lights. He noted that there was a discussion regarding the cost for LED lighting at the last Board of Selectmen meeting.

Mr. Brown commented it is an action item for him and the Board of Selectmen. He explained the task consists of conducting the inventory, identifying which lights we do not need and changing over to LED. He noted PSNH is getting out of the business of maintaining street lights as they are only providing the energy.

Mr. Keating mentioned the city of Manchester recently switched to LED lighting and it is something to consider.

Mr. Byron indicated that five years ago we eliminated several lights. He noted we also changed the wattage to make it less expensive to run and still provide effective lighting.

- **4445.2 Vendor Payments (Welfare)**

Mr. Byron presented the 2016 Welfare budget with a total bottom line of \$15,000. He noted that the budget was decreased by \$1,750 and areas reduced include housing cost and water.

Mrs. Douglas asked if the town is anticipating establishing a reserve fund for Welfare.

Mr. Byron noted the intent of a reserve fund was if the town had an excessive year beyond what was anticipated.

Mr. Spencer commented we have been steadily decreasing the expenses.

Mr. Byron noted if we keep decreasing the expenses at some point we will experience a large influx.

- **4583.1 Patriotic Purposes**

Mr. Byron presented the 2016 Patriotic Purposes budget with a total bottom line of \$902. He commented that he discussed this budget with Mr. Brown and indicated that each year we spent more than what is budgeted. He noted the budget is used for flags on veterans' graves, flowers for the memorial at town hall, and new flags to commemorate fallen soldiers.

Mr. Brown commented that the town has spent \$1,386 to date and was concerned that a budget line such as this can easily be overlooked.

- **4723.1 Debt Service**

Mr. Byron presented the 2016 Debt Service budget with a total bottom line of \$1.00.

Mrs. Couture asked why there is a placeholder in that budget. Mr. Byron indicated the placeholder is there in the event the Board of Selectmen have to do a tax anticipation note and did not have enough money to keep the town running.

Mr. Byron reported that Mr. Spencer had a question about revenues at the last meeting. He provided the revenues to the Budget Committee.

Mr. Spencer asked about the current rate for gasoline and diesel. He requested an explanation of how the Board of Selectmen determined to budget \$2.50 per gallon.

Mr. Byron indicated that the district 'piggybacks' the town for gasoline and diesel.

Mr. Brown commented the issue with revenues was to move it up on the budget schedule. He noted the other issue was to move Personnel and to review it when we have all the numbers.

Mrs. Couture asked if the budget can be posted live online. Mr. Brown indicated that the budget can be posted online, but advised Committee members it is subject to change.

8. MEMBER INPUT/OLD BUSINESS

Mrs. Couture reminded Committee members to send questions to the Chair as the Committee goes through the budget and she will forward them to the town. She noted the town will send the answers to the Chair and she will distribute the responses as she receives them.

9. PUBLIC INPUT

There was no public input.

10. ADJOURN

MOTION: by Mrs. Douglas

Move to adjourn

SECOND: by Mr. Keating

VOTE: 7-0-0

The motion carried.

The meeting was adjourned at 8:15 p.m.

Next Meeting: Thursday, October 15, 2015

Recorded by: Michele E. Flynn, Recording Secretary