

**Minutes of the
Litchfield Budget Committee Hearing
Held on August 27, 2015**

The Litchfield Budget Committee held a budget hearing on Thursday, August 27, 2015 at Campbell High School, 1 Highlander Court, Litchfield, NH 03052.

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

1. CALL TO ORDER

Mrs. Couture called the meeting to order at 7:07 p.m.

● **PLEDGE OF ALLEGIANCE**

Mrs. Couture announced that because the Budget Committee did not have access to Campbell High School, the meeting location was changed to the Town Hall.

2. PUBLIC INPUT

Mrs. Couture indicated that a sign was posted at Campbell High School to note the change of venue with the agenda.

There was no public input.

3. REVIEW/ADDITIONS TO AGENDA

There were no additions to the agenda.

4. REVIEW/ACCEPTANCE OF MINUTES

● **June 25, 2015**

MOTION: by Mr. Spencer

Motion to approve the minutes of June 25, 2015

SECOND: by Mrs. Douglas

VOTE: 8-0-1

The motion carried.

5. CORRESPONDENCE

There was no correspondence.

6. REPORTS

● **TOWN BUSINESS**

○ **General Update**

Mr. Byron reported on unanticipated revenues and indicated that the town received the winter reimbursement grant from FEMA in the amount of \$27,601.55, which will be applied to the

Highway Department to offset the overspend that occurred, with the exception of \$650 that goes to the Emergency Management Fund because we instituted the emergency management system. Mr. Byron reported that the town used 2014 encumbered revenues in the amount of \$7,445.62 to apply to the revaluation effort for the tax appraisal; the town applied an additional \$18,000 from 2014 encumbered revenues to pay for the attorney Litchfield will use for the pipeline issue. He reported at the last Board of Selectmen meeting they announced the new town administrator, Troy Brown, who comes from Hollis, and has also worked as town administrator in Pembroke, Londonderry (as interim), and in Maine.

Mr. Byron reported that the town has heard from the State of NH that Litchfield should receive highway block grant funds that could be \$20,000 above what we usually receive, but this is not a certainty at this time. He indicated the town budget is assembled, but it has not been reviewed or approved by the Board of Selectmen. He noted it should be presented to the Budget Committee in early October. Mr. Byron reported that revenues reported on the MS-4 are coming in above the Budget Committee projections by \$104,647, which is due to new car registrations. The town submitted a new valuation on the MS-1, which needs to be approved by the state. He noted the valuation submitted is \$880,994,288 for 2015, which represents a 6.9% increase over the 2014 valuation of \$823,685,848.

Mr. Byron announced if any Budget Committee members wish to attend the NHMA budget workshop to let Mr. Hoch know by tomorrow as this is his last day with the town.

o RSA 32:22; Review of Expenditures

Mrs. Couture indicated that the Budget Committee receives the expenditures weekly and monthly.

• SCHOOL BUSINESS

o General Updates

Mr. Bourque announced that Jim O'Neill is the interim superintendent for the school district. He comes to us from Jaffrey/Rindge where he was Superintendent for 16 years. He noted that Mr. O'Neill will help the School Board find a permanent Superintendent. Mr. Bourque reported that the Budget Committee was sent the financial report and that the unassigned fund balance is \$518,594, which reflects an underspend of \$323,434 in special services; \$247,858 in regular education; \$189,484 in custodial services. He noted that budget transfers are included in the report and will be on a monthly basis. Mr. Bourque reported the Student Information System will be up and running for the first day of school and grades will be posted as they are entered. He indicated that there will be a parent portal for parents to access their children's performance. Mr. Bourque reported budgets are underway and should come to the Budget Committee on schedule.

Mrs. Couture asked Mr. Bourque to highlight some of the summer projects listed in the report.

Mr. Bourque reported:

- At GMS: the playground was repaved and repainted
- The asbestos tile floor in the cafeteria was removed and replaced with new tile

- Exterior cameras that offer a full view were installed.
- At LMS: double-walled piping was installed for the oil tank
- Exterior cameras were installed.
- At CHS: exterior cameras were installed
- Most of the work consisted of clean up and restoration.

Mr. Bourque commented that CHS is in good shape and repairs at the other two schools were mainly the focus this summer.

Referring to the FY15 Special Services underspend, Mr. Spencer asked if there were any services that were not provided. Mr. Bourque reported that all necessary services were provided. He noted that a discussion has already begun regarding FY17 budgeting for Special Services.

Mr. Spencer indicated that the FY16 budget for vocational education transportation is lower than the last three years. He asked if the new transportation schedule is being implemented. Mr. Bourque indicated that students will no longer be bussed to Nashua and will instead be transported to Pinkerton. He noted those students that are attending Nashua will self-transport.

Mr. Spencer noted that last year the district spent \$70,000 and has budgeted \$22,000 this year.

Mr. Spencer commented that the State of NH website is now working and is up to date.

Mrs. Couture asked about an update for enrollment in the district. Mr. Bourque indicated raw numbers reflect there are 495 students enrolled at GMS (104 in grade 4); 457 at LMS; 495 at CHS, in part due to the large incoming 9th grade class. He noted the total enrollment is 1,417.

Mrs. Couture asked if GMS counts half day Kindergarten students individually. Mr. Bourque believes that is how they are counted.

Mrs. Couture mentioned that an enrollment chart from two budget seasons ago caused some confusion. She asked if enrollment is on target with projections. Mr. Bourque indicated that it is a bit above the projection, but that it would be wise to wait for the October 1 report.

7. NEW BUSINESS

● Budget Committee Training

Mrs. Couture announced the NHMA budget workshop is scheduled for September 15 from 9:00 am – 4:00 pm in Manchester. She noted it is a good workshop and attendees receive the Basic Law of Budgeting Guide for Towns and Municipalities. She indicated if any Committee members wish to attend to notify her and she will complete the registration.

● Discussion SB242 re: Default Budget Process Study Comm

Mrs. Couture commented that Mr. Spencer requested this agenda item because there are some proposed laws that revolve around how the default budget is determined in SB2 towns. She noted that a Study Committee was approved to consider methods of adopting a budget.

Mr. Spencer explained that one of the bills deals with the default budget and the other bill deals with amendments at Deliberative Session that are to be voted upon by official ballot.

Mrs. Couture read the proposed bills. The default budget bill states the default budget is to be placed on the ballot as a separate warrant article; if the operating budget and the default budget are defeated, a revised budget will be voted upon. Mrs. Couture noted that one of Mr. Pascucci's concerns is the default budget is actually approved under the current law, but voters do not actually vote on it. The second bill states that amendments approved at Deliberative Session will be required to voted upon separately on the ballot. She commented the bills were tabled and a study committee was established.

Mr. Spencer commented the Senate Bill was amended to establish a joint committee to provide recommendations to the House, Senate and Governor. He indicated the intent of the committee is to determine if the law should be changed. He noted they held an organizational meeting in August and will hold their second meeting September 1. He asked if this is something for which this Committee should provide input.

Mr. Byron explained that HB689 came through the House and was amended on March 4, then went to the Senate and they referred it Committee on May 7. He noted they do not want to adopt the House version and this bill will mostly likely die. He commented the amendment does not mention which committee in the Senate or that one has been formed.

Mr. Byron explained that SB242 is a Study Committee for adopting budgets for SB2 towns. He noted there was a study committee formed and they met on August 11, August 25 and will meet on September 1. He noted the committee will consider the bill, but he believes the bill will die. Mr. Byron commented if the Budget Committee would like to give testimony a Budget Committee member should be appointed. He indicated he was not sure of the Study Committee's intentions for their meeting on September 1. He offered to email Jim Belanger, head of the Municipal and County Committee, to find out what is supposed to happen. He noted that the Study Committee is required to issue a report by November 1.

Mr. Spencer commented that he believes there were two proposals. He thought the Study Committee would consider the House bill given that the Senate Bill was amended. He noted that going back to the town meeting style has been discussed many times. He indicated when looking at what is being proposed on the amendment, it made much sense because currently a handful of people amend the budget that goes forward to the voters. Mr. Spencer commented an official ballot will allow everyone to vote. He commented if Mr. Byron can get more information about the direction the Study Committee will take he can get that information to Mrs. Couture. He noted if there is a consensus in the opinion of the Budget Committee, he believes the Chair should represent the Committee.

Mr. Byron commented he will send an email to Mr. Belanger, head of the Municipal and County Committee, and is most knowledgeable on this Committee.

Mrs. Couture asked Committee members what kind of message they would like to send.

Mr. Spencer indicated he would support the bill involving amendments at Deliberative Session.

Mr. Peebles commented it sounds as if it would be confusing to the voters.

Mrs. Couture indicated they will wait until Mr. Byron receives a response to his request.

Mr. Spencer commented that he suspects the September 1 meeting will be the Study Committee's last meeting.

Mr. Byron commented that the report is due November 1. He explained the period the legislature can file LSR's (legislative service requests) is between September 2 and 18. He noted there is no bill coming forward from the House. The Senate's period is between October 13 and November 3.

Mrs. Couture commented that if we can get some information we can be aware of any bills that come forward in the current year and provide input.

Mr. Spencer indicated that this Committee can vote on supporting a bill tonight if we felt that they would propose an individual Senate Bill relative to amendments. He commented if the Budget Committee felt that what was proposed on SB242 was an appropriate change in the process, we can send a letter to the Study Committee stating our support for that type of change.

Mrs. Couture commented that SB242 requires a report be submitted by November 1 and then no other action on SB242.

Mr. Byron clarified that the bill only forms a Study Committee and once they are done there is no further action. He noted a new bill would have to be submitted.

Mrs. Couture commented this is nebulous and we do not know what they are discussing. She suggested if a bill comes forward in the next session she can make a decision based on what they are bringing forward.

Mr. Spencer commented the Study Committee has been charged to make a recommendation. He indicated we can at least give our input in terms of what we feel is a reasonable approach.

Mr. Peebles agreed with Mr. Spencer, but noted there is not much time.

Mrs. Douglas commented that they will not take any action unless they feel pressure to do something about it.

Mr. Spencer suggested that if individual Committee members would like to write letters it is their decision. Mr. Byron noted letters can be emailed to the Committee to Study Methods of Adopting a Final Budget in Towns That Have Adopted Official Ballot Voting.

Mrs. Couture commented that Mr. Byron can send her the link and she will distribute it to Committee members. She noted people are interested, but more information is needed.

Mr. Byron commented when he sends out the House calendars he highlights this information. He indicated another bill more critical is SB213. He noted several municipalities (i.e. Portsmouth, Dover) got together and are upset with the State because they feel they are not getting their fair share of the meals/rooms tax distribution. He explained the state collects 9% meals and hotel room tax and it is provided to all municipalities based on population. Mr. Byron indicated that Litchfield receives approximately \$430,000 per year in meals/rooms tax dividends. He commented that municipalities, such as Portsmouth, feel they are not getting their fair share because they provide the lion's share of the tax. He noted they feel distribution should be proportionate to how much you generate. Mr. Byron explained the money is general revenue for the town and if that change were made, Litchfield and towns like it would lose much revenue. He commented that larger cities have more state representatives and senators associated with them and if they voted to change the law towns like Litchfield will be hurt. He indicated that Mr. Hoch went to speak there today.

Mr. Byron indicated he received a response from Mr. Belanger regarding the Study Committee direction. He commented that Mr. Belanger stated the Study Committee is supposed to provide a recommendation to the Senate for 2016. The bill could simply die in committee if there is no recommendation to put forth a bill. It may be some sort of enabling legislation that will put the decision back on the community. Mr. Belanger stated he would support a bill, for example, that SB2 towns can vote to place the budget generated at Deliberative Session on the ballot, but no default budget. If the budget fails on voting day the town must hold a traditional town meeting 7 days later for the sole purpose of establishing a budget. Mr. Belanger stated he does not believe we will support putting amendments at Deliberative Session on the ballot or support a default budget on the ballot.

Mrs. Couture commented the goal is to have legislation proposed for 2016.

Mr. Byron commented that would be coming up for next year and it sounds as if the Senate is going to submit something.

Mrs. Couture commented considering tonight's discussion it would be helpful to receive a legislative update.

Mr. Byron noted that he sends them out to each member of the Budget Committee. He suggested the Budget Committee can go over them as a committee and send questions so that he can find out more information. Mr. Byron commented he is willing to bring forward a bill provided the Budget Committee has someone who wants to testify in front of the committee hearing to present their point of view. He noted he will send Mrs. Couture the response he received from Mr. Belangewr.

Mrs. Couture commented if anyone feels that strongly provide your input and we will look for legislation that will come up in the 2016 session,

8. MEMBER INPUT/OLD BUSINESS

There was no member input.

9. PUBLIC INPUT

There was not public input.

Mr. Pascucci commented about access at Campbell High School. He indicated that the public should have access if they want to speak at a committee meeting.

Mrs. Couture indicated there is a process for access in the schools and the Budget Committee follows that process and reserves the Board/Media room at CHS for certain dates.

Mr. Bourque indicated he will review the issue and ensure it is resolved.

10. ADJOURN

MOTION: by Mrs. Douglas

Move to adjourn

SECOND: by Mr. Vaillancourt

VOTE: 9-0-0

Next Meeting: Thursday, September 24, 2015

Recorded by: Michele E. Flynn, Recording Secretary