

**Minutes of the
Litchfield Budget Committee Meeting
Held on October 22, 2015**

The Litchfield Budget Committee held a meeting on Thursday, October 22, 2015 at Campbell High School, One Highlander Court, Litchfield, NH 03052.

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

1. CALL TO ORDER

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

Mrs. Couture announced Mr. Spencer would arrive to the meeting late.

(Mr. Spencer joined the meeting at 8:23 p.m.)

• PLEDGE OF ALLEGIANCE

2. PUBLIC INPUT

There was no public input.

3. REVIEW/ADDITIONS TO AGENDA

Will take some of the presentations out of sequence.

4. REVIEW/ACCEPTANCE OF MINUTES

• October 8, 2015

MOTION: by Mr. Pascucci

Motion to approve the minutes of October 8, 2015

SECOND: by Mrs. Douglas

VOTE: 6-0-2, with Mr. Peeples and Mr. Vaillancourt abstaining

The motion carried.

• October 15, 2015

The minutes of October 15, 2015 were postponed to the next meeting for approval.

5. CORRESPONDENCE

Mrs. Couture reported that there were some questions from Mr. Spencer that were forwarded to Mr. Byron and Mr. Brown who have provided answers; a request was received from a community member for minutes, which are posted on the town website; communication from the town indicating that some budgets are not yet completed and that the Library budget was received last Friday and the Board of Selectmen will be reviewing that budget.

6. SCHOOL DISTRICT

- E-Rate Funding

Mr. Bourque reported that E-Rate is a government program, which will end soon. He indicated that E-Rate monies are required to be used for technology. He commented \$30,000 has been used to purchase a storage appliance for GMS and there are some funds remaining. He noted that the funds have not been used for some years.

Mrs. Couture asked Mr. Bourque to clarify if the money used was in the budget. Mr. Bourque indicated that the funds used were not in the budget.

7. BUDGET REVIEW – TOWN

(It should be noted that some items were taken out of the order in which they were scheduled)

- Revenue

Mr. Peeples asked if revenues have increased or decreased.

Mr. Byron indicated that revenues have increased \$44,838 mostly due to vehicle registrations. He reported revenues are estimated at \$2,310,773.

Mr. Brown noted that some revenues will be adjusted by the state once the tax rate is set and should be validated within the next two weeks.

Mr. Byron mentioned that highway block grant funds will increase \$20,000 and the town anticipates \$400,000 from the rooms/meals taxes.

Mr. Pascucci asked if there is another approved schedule step in the gas tax increase. Mr. Byron commented that there was a four cent per gallon increase from 2014 and is not aware of any other increase. He noted that there could be a potential tax for vehicles that use alternative fuel, but that is not definite.

Mrs. Couture asked why there was an increase in building permits. Mr. Byron indicated that it increased slightly.

- Presentations

- 4210.1 Police Department

In attendance were Chief O’Brion, Sergeant Sargent, and Sergeant O’Donaghue.

Mr. Byron presented the 2016 Police Administration budget with a bottom line of \$1,449,536, which is an increase of \$24,994 over 2015. He noted there are increases in salaries, overtime wages for the Captain, Training overtime, software support and the prosecutor’s contract.

Chief O’Brion explained the prosecutor’s salary remained the same, but is in effect from October 1 to September 30. He noted the software support is for IMC support in police cars, which

covers all of the records, administrative, imaging, notebook and mobile programs, and the Lexis Nexis legal software. He reported one of the newer items budgeted is the Child Advocacy Center, which was taken out of the Health Agencies budget because the police department is the agency that uses it. Chief O’Brion indicated there is an increase in repair and maintenance of vehicles, which will be offset by eliminating a line of tire purchases. He noted there is a decrease in the cruiser purchases line as the lease has been paid.

Mrs. Couture asked why there is a change in the detail vehicle reimbursement line.

Chief O’Brion noted there was a decrease in details this year. Mr. Byron indicated we are taking money from the detail fund into the budget that will be used to pay for gas and repairs.

Chief O’Brion explained there are nine main roads in town that require details for safety. He indicated we charge \$15/hour, which is deposited into the detail fund. He noted that money is used if something happens to one of the detail cars. Chief O’Brion commented that details are offered on a rotation list to all Litchfield officers first [for first right of refusal] and then it is farmed out to different towns.

Mrs. Couture commented that it appears we under spent training over the last two years. Chief O’Brion commented that there are two different budget lines we use – Line 149 and Line 811. He indicated that Line 811 is used for payment for classes. He noted that approximately \$6,500 has been spent and the remaining \$13,000 will be used for upcoming training.

Mrs. Couture commented that there was much remaining in Line 149 in 2015 and 2014.

Chief O’Brion indicated that was due to the default budget. He noted we paid for more basic training for officers and scaled back on the advanced training. He indicated we are able to do more of that advanced training this year.

Sergeant O’Donaghue commented that officers will be attending training for domestic abuse, advanced domestic abuse and night shooting to name a few.

o 4210.5 Support Services

Mr. Byron presented the 2016 Police Support budget with a bottom line of \$151,134. He noted this budget has increased \$4,300 from 2015, which is due in part to dispatchers wages and the health/dental insurance estimated increase.

Mrs. Douglas asked about the new rate, commenting that the rate listed in the 2016 budget is the same as 2015.

Mr. Brown indicated the additional \$1,000 is a longevity payment.

o 4414.1 Animal Control

Mr. Byron presented the 2016 Animal Control budget with a bottom line of \$15,417. He indicated there is no change from 2015.

o 4321.1 Sanitation Administration

Mr. Byron presented the 2016 Solid Waste Administration budget with a bottom line of \$366,709, which is a \$24,672 increase over 2015. He noted that there are changes in area of salaries and wages for staff, a decrease in equipment lease, a 3% increase in hauling per contract, an increase in estimated rates for health and dental insurance, and minor other changes.

Mr. Pascucci asked if the haul rate is the cost to haul away demolition materials. The department head for Solid Waste indicated it is the run rate on hauls and tipping.

Mrs. Couture commented there is significant increase in the per ton cost for hauling. She noted there is one third of the budget remaining as of October 1 and asked if an increase is anticipated.

The Solid Waste department head indicated that the expenditures total has not yet been updated as there is a few weeks of lag time. He noted that the Budget Committee is seeing an actual month's charges that has not yet been paid.

o 4152.1 Revaluation of Property

Mr. Byron presented the 2016 Assessing budget with a bottom line of \$50,606 with a decrease of \$6,440.

o 4155 Personnel Administration

Mr. Byron indicated this budget has not yet been updated and asked to postpone the review until it has been completed.

o 4520.1 Parks and Recreation

Mr. Byron indicated that the Parks and Recreation Committee have not yet submitted a budget. He noted it is due by November 2 and if it has not been submitted, the Board of Selectmen will submit a budget in its place.

Mr. Byron announced that the Library budget was received last Friday. He commented that the Board of Selectmen has little control over that budget and may consider moving it on to the Budget Committee without review by the Board of Selectmen.

Mrs. Couture asked when the Budget Committee will have the Library budget.

Mr. Byron commented he discussed moving it on to the Budget Committee with the Chair of the Library Trustees. In terms of the Parks and Recreation budget, Mr. Byron indicated if the Board of Selectmen has not received that budget by November 2, the Board of Selectmen will prepare a budget and submit it to the Budget Committee on November 9.

Mrs. Couture noted that Personnel Administration and Parks and Recreation budgets will be moved to the November 4 Budget Committee meeting.

Mr. Brown indicated he will meet with the Library Chair tomorrow at 1:00 p.m.

- **Budget Committee Actions**

- **4311.1 Road Agent**

Mr. Byron mentioned that Mr. Pinciario could not be in attendance this evening and asked if the budget actions for the Road Agent budget could be postponed to the next meeting.

Mrs. Couture noted the budget actions would be postponed to the next meeting. She indicated that questions from Mr. Spencer and their responses from the town can be addressed.

Mr. Brown reported that Mr. Spencer asked some questions regarding the Road Agent budget.

Mr. Spencer asked why the 2015 engineering line was underspent and is \$13,000 needed for 2016.

Mr. Brown indicated that \$19,883 was expended in 2014 and the current year to date expenses are \$4,366.59. He noted the contractor invoices late in the year and although it appears we are underspent, we are confident we will use much of that budget. Throughout the summer the engineer is doing inspection work through different phases of the contract. Engineering data collection and design work are completed in the fall for 2016 by the contractor. From January to March contractors can put together their costs. Mr. Brown commented Mr. Pinciario is delaying expenditures for the remainder of the year to cover for snow removal costs.

Mr. Spencer asked why propane has increased.

Mr. Brown indicated \$5,301.36 (3,266.9 gallons) was expended in 2014 and the current year to date expense is \$4,366.59 (2,885 gallons). He noted that 5,000 gallons was budgeted for 2016 at \$1.40/gallon (the school district bid is \$1.349/gallon). He indicated no adjustment was made to that line as yet.

Mrs. Couture commented the town used under 3,200 gallons in 2014. She asked if 5,000 gallons will be needed.

Mr. Brown indicated that 5,000 gallons was a budgetary number used in formation of the budget and he is still looking at propane. He noted once the town receives the final delivery we will have a better number for adjustment to that line.

Mr. Spencer asked why the electricity has increased.

Mr. Brown indicated that after reviewing the accounts it should change from \$5,726 to \$5,000. Based on actual cost and not knowing what the increase may be, we increased 2014 actuals by 3% for the proposed budget. Mr. Brown indicated there could be areas where a reduction could be realized, but believes that the street lighting budget should be increased.

- **4312.1 Highways & Streets**

Mr. Brown reported that Mr. Spencer asked some questions regarding the Road Agent budget.

Mr. Spencer asked how wages in Line 120 were determined.

Mr. Brown indicated he broke out the three employees' hours and wages as follows:

- Employee 1: 40 hrs x 52 wks x \$31.87 = \$66,289.60
- Employee 2: 32 hrs x 52 wks x \$21.04 = \$35,101.56
- Employee 3: 32 hrs x 26 wks x \$14.90 = \$12,396.80

He noted those numbers should match the numbers in the proposed budget.

Mrs. Douglas asked if Employee 1 would be the highway manager. Mr. Brown indicated it would be the highway manager or the equipment operator.

Mrs. Douglas commented the equipment operator would not make that wage. Mr. Brown indicated that \$31.87 is the hourly rate for this position.

Mrs. Douglas commented that the Road Agent is a stipend position. She asked if he also receives a salary. Mr. Pascucci commented that he is also a full time employee, but receives a stipend for Road Agent.

Mr. Spencer asked why there is an increase in Line 380.

Mr. Brown indicated the driver hourly rate increased from \$20 to \$25 per hour. The formula used to calculate drivers hours changed to reflect current operations. \$85,057 was expended in 2014 and current year to date expense is \$99,130.

Mrs. Douglas asked if more storms, stronger storms or more trucks are expected. Mr. Pascucci indicated this has always been an unknown. He commented the budget is from January 1 to December 31 and all the storms we experienced were in January and February 2015. Mr. Pascucci asked if there is an emergency or reserve fund.

Mr. Brown commented the reserve fund covers solid waste for equipment needs and anything snow related (sand, salt, wages) for public works. He indicated there is currently \$23,000 in the reserve fund. He noted he will be recommending to the Board of Selectmen that some of that fund be used to credit some lines.

Mr. Pascucci asked if FEMA reimbursed the town. Mr. Brown indicated that money has not yet been received. He commented that the Board of Selectmen noted a new cost in the public works budget for a truck lease. He noted we looked to find a way to offset the overage in public works. Mr. Brown indicated there was approximately \$40,000 available in IT and money in the reserve fund. He commented the FEMA reimbursement will be coming. He noted that he and Mr. Pinciario went through the highway budget and found some lines under spent.

Mrs. Douglas asked for the amount of the current under spend. She commented if there is an under spend the reserve fund does not need to be used. Mr. Byron indicated that they are referring to what the Board of Selectmen is trying to do to balance the 2015 budget and answer questions about the 2016 budget.

Mr. Brown indicated the reserve fund is the last place from which he will request monies.

Mr. Spencer asked how the salt tonnage was calculated.

Mr. Brown indicated that salt has increased \$3.00 per ton and Mr. Pinciario is requesting 200 additional tons to replenish the salt inventory to make up for the loss from past storms.

Mr. Spencer asked why the road sweeping increased \$500.

Mr. Brown commented that there is no increase in the fee, but new roads and some parking lots have been added.

Mr. Pascucci asked what additional parking lots were added. Mr. Brown indicated they are not additional parking lots, but the town hall and police station lots were never included in the past.

Mr. Spencer asked why there are no 2015 expenditures in Line 573.

Mr. Brown indicated that the account was placed on hold to cover winter operations due to budget constraints.

Mr. Spencer asked what is included in Line 635.

Mr. Brown indicated that we share fuel with other departments, but this tank is used only by the highway department. He noted 5,000 gallons was budgeted for off road diesel at \$2.75/gallon. 3,970 gallons have been used to date.

- **4191.1 Planning Board**

Mr. Byron indicated that Mr. Spencer asked why Line 555 is increasing. Mr. Byron indicated that Line 555, Public Notices and Ads increased due to the master plan update and additional public hearings.

There were no motions.

- **4191.3 Zoning Board**

There were no motions.

- **4194.1 General Government Facilities**

Mrs. Couture indicated Mr. Spencer asked why there was no activity in Line 396, County Prison Community Service Program. Mr. Brown indicated there was a scheduling issue; however, coordination did occur with the school district. He commented that the town does plan to use two weeks of prison program services for various projects in 2016, with one of those weeks for services for the cemeteries.

There were no motions.

- **4195 Cemeteries**

Mr. Spencer asked why the prisoner work details are listed twice in the budget. Mr. Brown's response was indicated in writing – prisoners are used for one week in the spring to clean cemeteries and perform repairs.

There were no motions.

- **4415 Health Agencies**

Mr. Pascucci believes these requests should not be included in the budget.

Mrs. Couture indicated that the Budget Committee cannot tell the Board of Selectmen to place them in a warrant article. She commented a Committee member can make a motion to reduce any or all lines in this budget.

MOTION: by Mr. Pascucci

Move to zero all lines in the Account 4415, Health Agencies

SECOND: by Mrs. Douglas

Mr. Pascucci commented that this budget was placed on the warrant two years ago. He believes this is charity, but money well spent. He believes voters should have a voice with regard to these requests. He indicated that past recent history shows voters overwhelmingly approved the article. He believes there is no risk that it would be approved if not included in the budget.

Mrs. Douglas commented that this should be not budgeted in the town budget. She believes that it is most appropriate placed as a warrant article so voters can have a voice. She indicated it is not something necessary to run the town.

Mr. Byron explained that the Board of Selectmen placed it into the budget because the rationale was that if placed on the warrant it will stimulate discussion. He indicated that was not the case. He indicated including this in the budget is in line with voter approval.

Mr. Pascucci agreed that the warrant article did not stimulate the discourse that was desired. He commented it is a philosophical difference and people have proven they are not afraid of more choice on the ballot.

Mrs. Couture indicated these are organizations that perform a service in the community. She commented they come in specifically to support the town. She noted it is not a charity such as a church or children's fund.

Mr. Pascucci commented they provide service and not an invoice. He indicated they are asking for money, which is his definition for a charity.

Mrs. Couture commented if they do not receive money they will scale back the services that are needed.

Mrs. Douglas commented that if the town does not fund it people will support them privately.

Mr. Pascucci commented the current process is working and there is no reason to change it.

Mrs. Douglas asked if the court appointed advocates served people in Litchfield as stated or in the county.

Mr. Byron clarified we are not funding the county, but the organization that is working within the county.

**VOTE: 2-6-0, with Mr. Pascucci and Mrs. Douglas in support
The motion failed.**

- **4220.9 Fire Hydrants**

Mr. Byron indicated that Mr. Spencer asked why current year expenses vs. proposed expenses do not add up correctly.

Mr. Brown indicated that he and Mr. Spencer spent some time on this. He commented the 2015 budget includes the rate increase. The 2016 budget is estimated to remain fixed unless new hydrants are installed. Mr. Brown indicated in 2015 there may be an overage in the current budget because some of the billings were recouping the rate adjustment. He noted that next year we will need to plan for another rate adjustment, which takes up to a year to be approved from when it is filed. He mentioned that when approved the adjustment is retroactive to the date it was filed.

There were no motions.

- **4241.2 Code Enforcement**

There were no motions.

- **4411.1 Health**

There were no motions.

- **4611.2 Conservation**

Mrs. Couture asked if the bat houses were funded last year. Mr. Byron indicated they were funded.

There were no motions.

8. MEMBER INPUT/OLD BUSINESS

- **Review Warrant Lease Purchase 3/2015**

Mrs. Couture commented in terms of lease purchases, there was a warrant article on the ballot that read:

Shall the Budget Committee be directed to incorporate into their calculation of budgets, all related appropriations for equipment lease/purchases as proposed by the governing body consistent with RSA 33:7-e. This is an advisory article only.

She noted the article passed overwhelmingly, 832-255. She indicated Mr. Pascucci requested that the Committee have a discussion.

Mr. Pascucci commented that the article clearly means the Budget Committee has to consider it. He believes they considered it every year.

Mrs. Couture commented there was a concern last year that no lease purchases were allowed in the budget.

Mr. Pascucci commented he is not against leases in principle, but disagreed that they were included in the proposed default budget at that time. He acknowledged that the default budget is not the purview of this committee, but believes that leases do not belong in the do not belong in the default budget. Mr. Pascucci explained that in his view a police cruiser is a tool that is needed, used and is expendable. He commented it is not a capital expenditure. He indicated that it makes more sense to purchase cruisers on a rotating cycle than it does to lease because as leases overlap the cost in one year can equal the purchase price of a cruiser. Mr. Pascucci indicated he would not lease something for three years if replacements are needed every three years.

Mrs. Couture indicated cruiser purchases are included in the budget this year. She noted that last year there was a concern with leasing technology as well. She commented a statement was made that the Budget Committee will not support leases in the budget and now the people have decided that they will support leases in the budget. Mrs. Couture indicated the Budget Committee has that option.

Mr. Pascucci commented that it makes sense to purchase cruisers. He noted it may be a different thought process for leasing technology.

Mrs. Couture commented she wanted to be sure all members have the same understanding of the warrant article.

Mr. Pascucci commented that he hopes his opinion was made clear that if something does not outlive the lease term it should be a purchase.

Mr. Spencer indicated the issue was authorization should be provided by the voters and that has been clarified. He commented if the Board of Selectmen or School Board want to include leases in the budget it would be fine if it is the correct financial thing to do.

Mr. Brown commented every community does it differently. He indicated that we need to find a process that works. He pointed out that if you have a replacement cycle and you miss a replacement, you fall behind.

Mr. Spencer commented we were always on a 2:1 replacement cycle, but had an interruption one year.

Mr. Byron commented that the bottom line on the warrant article was that the Budget Committee stated no lease purchases in the operating budget. He noted in some cases that makes sense and in others it does not. He indicated this article was to clarify what the citizens wanted and to make sure we do what is responsible. He commented it is not a binding article. Mr. Byron advised Committee members to use their best judgment if a lease is in the best interest of the town.

- **Position in Budget Warrants 2003 and 2004**

Mrs. Couture discussed warrant articles regarding new positions with the Budget Committee. She commented that in 2003 a petition article was on the ballot regarding creating separate articles for new positions. She noted the article was approved. Mrs. Couture indicated in 2004 a clarifying article was on the ballot for placing in the budget those positions agreed to by the Budget Committee that are needed to meet state and federal standards or to maintain services at current year levels. She noted this article was also approved and is an advisory article. Mrs. Couture indicated the rationale of the article is when the district and Budget Committee agree the positions are needed to be placed in the budget.

Mr. Pascucci indicated there will always be confusion over the issue and as well as disagreement. He commented this member will do what he believes is right and follow the law as he understands it as defined by the NHMA.

- **Tours**

Mrs. Couture asked Budget Committee members if they were interested in town and school tours.

Mr. Vaillancourt expressed interest in touring the schools.

There was no interest by Committee members to tour town facilities.

Mrs. Couture asked members for suggestions on days/times for the school tours.

Mr. Peeples commented tours would be best conducted after 5:30 p.m. weekdays or Saturday mornings.

Mr. Byron indicated last year some members of the Budget Committee came an hour early to tour CHS.

Mr. Pascucci asked if any major projects are planned in any of the schools. Mr. Bourque indicated there are projects that were not accomplished last year and bringing Kindergarten inside the school building.

Mr. Vaillancourt commented he would like to see the IT rooms, media rooms, band rooms, and concrete repairs.

Mrs. Couture asked Mr. Bourque to work with the Superintendent on tour schedule options.

Mr. Bourque provided a brief report on school district issues. He asked if the expectation of the Budget Committee is that the Superintendent will provide a budget overview on November 5 or if the Committee will begin budget reviews.

Mrs. Couture indicated it is expected that the Superintendent will provide a budget overview, plans for projects, and highlight major increases/decreases in the budget.

Mr. Pascucci suggested beginning budget reviews at that meeting.

Mrs. Couture indicated that two of the town budgets will not be ready until that night and will overlap with school budget reviews. She indicated it would be at the discretion of the School Board. She commented that the Budget Committee received a proposal of review from the town. She suggested assembling budgets that may be ready to discuss.

Mr. Bourque indicated he will meet with the Superintendent early next week to finalize some of the budgets.

Mrs. Couture asked if there is any idea the number of warrant articles will be proposed by the Board of Selectmen. Mr. Byron was unsure, but believes there will not as many as last year.

Mrs. Douglas asked about enrollment projections.

Mr. Bourque provided a brief verbal report and indicated that projection results were reviewed by the School Board and the Superintendent believes the numbers for grade 1 is based on the Kindergarten enrollment number and may not be accurate.

Mr. Spencer indicated grade 1 projections have nothing to do with Kindergarten as they are based on births. He commented a second opinion will not change the grade 1 projections.

Mrs. Couture commented they are taking a look at projections because they feel there is an anomaly.

Mr. Spencer indicated the real problem is that we do not have enough Kindergarten classes to establish the relationship with grade 1.

Mr. Bourque indicated that enrollment projections will be provided to the Budget Committee.

Mrs. Couture commented there will be a better picture in January with Kindergarten registrations.

9. PUBLIC INPUT

There was no public input.

10. ADJOURN

MOTION: by Mrs. Douglas

Move to adjourn

SECOND: by Mr. Peeples

VOTE: 9-0-0

The motion carried.

The meeting was adjourned at 9:02 p.m.

Next Meeting: Thursday, October 29, 2015

Recorded by: Michele E. Flynn, Recording Secretary