

**Minutes of the
Litchfield Budget Committee Meeting
Held on September 29, 2016**

The Litchfield Budget Committee held a meeting on Thursday, September 29, 2016 at Campbell High School, One Highlander Court, Litchfield, NH 03052.

PRESENT: C Couture, (Chair), K Douglas (Vice Chair), C Pascucci, J Bourque, D Miller, A Cutter, R Keating, K Bourque (Selectmen's Representative), B Bourque (School Board Representative), T Brown (Town Administrator)

Absent:

1. CALL TO ORDER

Mrs. Couture called the meeting to order at 7:02 p.m.

• PLEDGE OF ALLEGIANCE

2. PUBLIC INPUT

There was no public input.

3. REVIEW/ADDITIONS TO AGENDA

Mrs. Couture announced that Budget History was added under Budget Review.

4. REVIEW/ACCEPTANCE OF MINUTES

• September 22, 2016

MOTION: by Mrs. Douglas

Move to approve the September 22, 2016 minutes

SECOND: by Mr. Cutter

Vote: 5-0-1, with Mr. Miller abstaining

The motion carried.

5. CORRESPONDENCE

Mrs. Couture noted that correspondence received included the MRI Report and information about police details, both requested by the Budget Committee.

6. BUDGET REVIEW

• Budget History

Mr. Cutter commented that he compiled budget data spanning the last 10 years, adding two of the years he was missing. He informed Mr. Brown that while entering data into the spreadsheet, he observed there is a difference of \$8,500 somewhere in the 2017 police budget. He indicated the data shows the budget has increased approximately \$2M over 10 years. Mr. Cutter presented

historical budget data from 2004 to 2016, data with 3 year averages, aggregated adjustments of 3 year history and current expenses, 2016 actual expenditures and budget reductions.

- **Town Budget**

Board of Selectmen 4130.1

Mr. Brown presented the 2017 Proposed Executive budget, which totals \$112,222, with a projected increase of \$512 over the 2016 budget. He indicated the largest increase is in mileage/tolls and training. He noted there is more travel to different workshops and meetings.

Mrs. Couture asked why background checks are included in the budget each year. Mr. Brown indicated that background checks are completed when someone is hired and some town employees are rechecked every three years according to policy.

Mr. Cutter asked why periodicals and books increased. Mr. Brown commented there is an increase in materials from the NHMA.

Town Meeting 4130.3

Mr. Brown presented the 2017 Proposed Town Meeting budget, which totals \$9,440, with a projected decrease of \$4,044. He noted that four elections were budgeted for 2016 and there is only one election in 2017.

Mrs. Couture commented that Line 130, Wages-Moderators and Checklist Supervisors, does not reflect a decrease. Mr. Brown commented the town pays two moderators for two deliberative sessions and the election. Mr. Cutter indicated with only one election and one deliberative session Line 130 should only total \$1,400.

Mrs. Bourque asked if ballots are a fixed cost. Mr. Brown indicated they are a different cost each year. Mr. Cutter indicated that the actual expenditures reflect that line is being used.

Mrs. Couture asked why the town needs to budget for Optech Programming support. Mr. Brown indicated that is the programming for the voting machines.

Mrs. Douglas asked why the line for the voting machines increased. Mr. Brown indicated the town made allowances in the event of a special election.

Town Clerk 4140.1

Mr. Brown presented the 2017 Proposed Town Clerk budget, which totals \$113,309, with an increase of \$14,177. He explained that the budget includes some wage increases from the approved wage implementation plan. He indicated that the Board of Selectmen are proposing to create a part time position to be shared with the tax collector so the town would have a trained replacement for staff that could retire. Mr. Brown reported that the software license fee has changed and added the cost for using the credit card machine.

Mrs. Bourque asked if the wage increases were already agreed upon. Mrs. Couture explained that warrant articles proposing a wage increase implementation plan were supported by the voters the last two years.

Mr. Brown indicated that significant studies were done regarding non-union municipal staff wages. He commented a target was set for a three year implementation plan with established pay range and increases based on merit. He explained before a performance based plan was implemented it was believed that staff should be in line with the studies from the other towns.

Mrs. Couture commented the part time position is a new position. She asked why the position is not being placed on a warrant article with an explanation of the benefits of the position. Mr. Brown indicated that we will disclose it is in the budget and explain the benefits of the position.

Mrs. Couture commented that there have always been warrant articles for new positions. Mr. Brown indicated it is a part time position.

Mrs. Douglas asked if this position maintain part time status if the employee becomes full time due to a retiring staff member. Mr. Brown indicated the position would remain and can cover for the town clerk when she is away. He explained the town would be best served by having the town clerk, a part time deputy and two clerks.

Mrs. Douglas asked where this position would fall with regard to priorities. Mr. Brown commented it would be a high priority as people want well trained staff and efficient transactions.

Mr. Bourque asked why the two existing clerks work the same schedule. Mrs. Briand explained there have to be two people in the office at all times. She indicated that it is planned to adjust the time for coverage for later nights. She commented there was a situation where the deputy fell and broke her neck and the only other person in the office was a part time clerk who cannot sign state documents. Mrs. Briand noted the person has to also have trainings required by the State.

Mr. Cutter commented that if this position is with the intent of well serving the town he is agreeable. He indicated it is a small cost to train someone to support the town.

Mr. Pascucci commented this is meant to be permanent and it is a new position. He indicated the owners of the town need to be asked if they support the position. He noted it is very easy for a part time employee to become full time with benefits. Mr. Pascucci commented if you do not ask when the position is new then you do not ask when it is time to increase the position. He believes the position belongs on the warrant as it is consistent with past policy.

Mrs. Briand indicated the town always had a part time employee and a full time employee and it would stay that way. She commented there is no room for two full time people.

Mrs. Douglas agreed that the position should be placed on the warrant.

Mr. Brown commented if the town is asking for a new full time position it is placed on the warrant. He indicated this is a part time position and a type that currently exists.

Mr. Cutter commented that he hears every year there are too many articles and that we elect people to make those decisions. Mr. Pascucci commented he hears differently. He believes it should be in the warrant because it will be well explained in the budget, people will vote for it and the perception will be the position was supported. He commented if we get the default budget it will be perceived people do not support adding the position.

Mr. Bourque commented that the school district placed full time positions on the warrant, but not part time positions.

Mrs. Douglas commented we should respect the message the voters send.

Mrs. Couture commented historically new positions have been in the warrant. She referred to the past warrant articles regarding new and expanded positions.

Mr. Miller asked if the health insurance will be split between the town clerk budget and the tax collector budget and asked what the contribution split would be. Mr. Brown indicated the insurance will be split between the two budgets and the plan is 80/20.

Mr. Miller observed that the deputy town clerk's wages increased by 10%. Mr. Brown indicated that includes longevity, which the town just began to include. He noted in the past there has been limited funding. He commented there are some employees that may have a larger increase because they may not have received any increase the prior year.

Mrs. Douglas asked for the wage plan file. Mr. Bourque suggested including a starting wage column. Mr. Pascucci commented the percentage is going to vary because some employees were 10% or 15% below where they should have been.

Mr. Brown commented it is a small group of employees. He indicated union groups always negotiated wage increases in their contract, but this group of non-union employees did not get any increases.

Mrs. Douglas commented there are many people that work that have not received a raise. Mr. Pascucci commented this is not about dollars and percentages, but about the process.

Mrs. Couture indicated the warrant articles relative to the wage increase implementation plan were approved.

Mrs. Douglas commented taxpayers said they want the budget increases to lessen and that is where we should focus.

Mr. Cutter indicated the budget history shows wages stayed flat for ten years. Mr. Miller indicated there were unintended consequences with the school district when teachers did not receive raises for years.

Mr. Keating commented we have to look at them differently – teachers are different from the police and administration. He believes it is important to secure the position in the event we end up with the default budget.

Mr. Miller suggested the Board of Selectmen begin looking at the Cadillac tax with regard to the health insurance.

Accounting 4150.1

Mr. Brown presented the 2017 Proposed Accounting budget, which totals 231,865, with a projected increase of \$17,021 increase. He indicated that the budget includes a new hire.

Mrs. Bourque asked why the finance manager is receiving an increase and the other two employees are not. Mr. Brown indicated that the finance manager had an adjustment this year and the new hire came in on the new wage scale.

Mr. Cutter asked why there is an increase in mileage and tolls. Mr. Brown indicated that changed with the finance manager and staff. He explained there are new trainings and travel to Concord as there is new software that requires staff to travel to the training locations.

Mr. Pascucci asked if there is any chance the Board of Selectmen will change the policy regarding traveling to the bank to make deposits. He asked why deposits cannot be made electronically. Mrs. Briand explained that we take in State money and cannot hold the State's money. She indicated we are required to bring their money to the bank and transfer the funds to their account every day. She commented because we take in cash every day we have to bring that cash to the bank every day.

Mr. Cutter observed that office supplies and postage amounts are a bit high. He asked if the auditing service cost is a fixed cost. Mr. Brown indicated there is a three year contract and the cost is fixed for 2017.

Tax Collection 4150.4

Mr. Brown presented the 2017 Proposed Tax Collection budget, which totals \$108,539, with a projected increase of \$12,621.

Mr. Cutter commented he looked at the overtime cost across all accounts in the budget and it is 4% of the budget total. He indicated there is a proposed warrant article for an additional police officer and asked if that will help with the overtime.

Mr. Brown indicated that the Board of Selectmen asked for that information and the Police Chief will provide that information to the Board of Selectmen.

Legal Expense 4153.1

Mr. Brown presented the 2017 Proposed Legal Expense budget, which totals \$18,500, with a projected decrease of \$1900. He indicated the last two years the town has been using the services of a new firm that have done amazing work.

Mrs. Douglas asked where the cost for PFOA would be located. Mr. Brown explained the Board of Selectmen have not decided if they will bring an article for those expenses or find the money at the end of the year. He indicated it is being discussed.

Advertising & Regional Associations 4197.1

Mr. Brown presented the 2017 Proposed Advertising & Regional Associations budget, which totals \$14,974, with a projected increase of \$865. He noted that a 5% increase was used as a placeholder for NHMA dues and subscriptions.

Mr. Pascucci asked if everyone understands the RSA and that the main function of the NHMA is lobbying. Mrs. Couture commented it was not stated that was their main function.

Mr. Pascucci commented money needs to be separated when supporting an organization with the main function of lobbying. Mrs. Couture commented that this is not a lobbying organization and that the NHMA provides information with respect to legislation that may be presented.

Mr. Pascucci asked why the town belongs to this group and what the town receives for the cost. He commented the town has attorneys that are paid and although the NHMA provides free legal advice and some things that are discounted, we can purchase these things without a discount.

Mr. Brown indicated the NHMA provides free legal assistance to all membership and we have to use our discretion as to what answers we want. He estimated that the town receives approximately \$5,000 worth of legal assistance from the NHMA, which is also available to all town committees. He noted they also provide general training on all types of municipal topics, weekly updates on changing laws and what is going to impact the town. He believes the town receives their money's worth.

Mrs. Douglas commented that Mr. Brown's explanation was excellent.

Mr. Pascucci commented that the Budget Committee's role is to question things so that we get better answers and a better budget. He believes that another function of the NHMA is lobbying. Referring to RSA 15, he indicated we could take it out of the budget and place it on a warrant article. He commented even if the services are well needed it does not belong in the budget.

Mr. Miller observed the interesting piece of the law is that you have to segregate the money that is specifically for lobbying.

Mr. Pascucci commented the argument from the Board of Selectmen is that we cannot tell them where that money should be.

Street Lighting 4316.3

Mr. Brown presented the 2017 Proposed Street Lighting budget, which totals \$12,850, with a projected increase of \$1,925.

Mr. Cutter commented beginning in 2015, we saw an increase due to the cost of electricity. Mr. Brown indicated the light fixtures are owned by Eversource and if a bulb burns out we call them to change the bulb. He commented going forward communities are changing over to LED lighting because Eversource is getting out of the lightbulb business. He noted if you buy the materials you have to change it and maintain it.

Mr. Bourque asked if there is any discussion about a plan to slowly start changing the lights out. Mr. Brown commented it is worth looking into. He noted there is a savings with LEDs, but it has not been determined how much will really be saved if we have to change them out and maintain them ourselves. He indicated he would like to look at it to see when the transition makes sense.

Mr. Keating pointed out that Manchester changed over to LED and it is very simple to change the bulbs with a lift. He noted they last much longer.

Mr. Brown indicated the reason there is a projected increase in this budget is because this line has been underfunded for a few years.

Vendor Payments/Welfare 4445.2

Mr. Brown presented the 2017 Proposed Welfare budget, which totals \$10,000, with a projected decrease of \$6,750. He indicated the budget is based on expenditures over the last two years.

Patriotic Purposes 4583.1

Mr. Brown presented the 2017 Proposed Patriotic Purposes budget, which totals \$1,250, with a projected increase of \$348. He indicated the increase is primarily for Memorial Day activities.

Debt Service 4723.1

Mr. Brown presented the 2017 Proposed Debt Service budget, which totals \$1.

Mrs. Couture asked why \$1 is budgeted for Debt Service. Mr. Brown explained we need to keep that account open and \$1 is a placeholder.

Revaluation of Property 4152.1

Mr. Brown presented the 2017 Proposed Assessing budget, which totals \$50,606, with no increase or decrease.

Sanitation Administration 4321.1

Mr. Brown presented the 2017 Proposed Sanitation Administration budget, which totals \$377,780, with a projected increase of \$19,239. He indicated:

- the Solid Waste Facility Manager's salary increased because he did not take an increase over the last two years;
- the Assistant Manager's work hours increased from 24 to 32;
- there is a large increase in demolition as more people are remodeling their homes;
- there is a new contract with Waste Management with a negotiated decrease in tonnage and a negotiated haul cost.

Mr. Miller asked about the estimated fuel cost per gallon. Mr. Brown indicated the town was able to lock in the school district's cost for propane at \$1.119 per gallon and diesel fuel is estimated at \$2.75 per gallon.

Mr. Cutter referred to the Advertising budget and commented that the cost for ballot printing seems low. Mr. Brown indicated that is the cost for the sample ballot insert in the HLN.

Mrs. Couture indicated the Budget Committee will review scheduled budgets and vote on the budgets presented this week.

7. REPORTS

- **School Business**
 - **General Updates**

Mr. Bourque indicated there was nothing of note to report from the School Board.

- **RSA 32:22; Review of Expenditures**

8. MEMBER INPUT/NEW BUSINESS

- **Approval of By-Laws**

Mrs. Couture announced that changes to the bylaws have been finalized and unless there are any other suggested revisions she will accept an official vote to approve the bylaws.

MOTION: by Mr. Cutter

Move to approve the bylaws as presented

SECOND: by Mrs. Bourque

Mrs. Douglas asked for clarification regarding the statement in the bylaws that Committee members cannot speak to anyone outside this committee about items that may come under the Budget Committee's purview.

Mrs. Couture explained if a member is holding a conversation with a community member and it is a general conversation it is appropriate, but if that member is asking questions about information to help make a decision then it is against the bylaws. She indicated we are doing the public's business and we have to be transparent.

Mr. Pascucci suggested reading RSA 15 so we can all understand it for the vote next week. He indicated he did not speak to anyone in this room prior to the meeting, look up the information or email anyone. He commented he is bringing it up at this meeting.

Mrs. Couture indicated the bylaws are also to prevent several members of the Committee from emailing the Superintendent or Board of Selectmen with questions. She noted the bylaws are not meant to prevent general conversations.

VOTE: 9-0-0

The motion carried.

Mr. Pascucci referred to the discussion regarding the increase of hours of the Solid Waste position from 24 to 32. He commented that nothing was brought up regarding that increase by this Committee. He noted he is proving the point that at some point in the process questions need to be asked and voted on when presenting a brand new position.

Mrs. Bourque commented one person's hours are decreasing and another's hours are increasing, which creates a balance.

Mr. Pascucci commented that does not change his point and if a position is changing, it is changing.

Mrs. Douglas commented you have to ask if this will impact any increase in hours for any employee.

Mrs. Couture indicated we can get that answer from Mr. Brown. She commented Mr. Pascucci's point is the time to question is when it is approved.

Mr. Pascucci commented he is not arguing if it is needed or not.

9. PUBLIC INPUT

There was no public input.

10. ADJOURN

MOTION: by Mrs. Douglas

Move to adjourn the meeting

SECOND: by Mr. Keating

VOTE: 9-0-0

The motion carried.

The meeting was adjourned at 9:50 pm.

Next Meeting: Thursday, October 6, 2016

DRAFT

10

Recorded by: Michele E. Flynn, Recording Secretary