

**Minutes of
Litchfield Budget Committee Meeting**

Held on January 3, 2008

Present: Chairman B Lemire, B Spencer (Vice Chairman), R Peebles (Selectman's Rep.), J Harte, P Parker, D Miller, M Falzone, B McCue (joined the meeting at 6:50p.m.), Mr. Martin (Business Administrator) and Dr. E Cutler (Superintendent of Schools)

Chairman Lemire called the meeting to order at 6:39 p.m. Dr. Cutler introduced a freshman student Mr. Christopher Ferlan who was observing the meeting as part of an assignment he was doing.

1. PUBLIC INPUT

There was no public input.

2. APPROVAL OF MINUTES

MOTION: by J Harte

Move to approve the minutes of the meeting on December 13, 2007 as written

SECOND: B Spencer

VOTE: 7-0-0

The motion carried unanimously.

3. SCHOOL DISTRICT BUDGET – VOTING

Mr. Martin passed out new information on the budget. He stated he had received a call from Hudson informing him that a Litchfield student is attending school in Hudson. He explained the student is receiving Special Education services, and that Ms. Gregg met with Hudson and Hudson has agreed not to bill the Town until Jan 1st 2008. He stated the student requires an individual Para professional at a cost of \$44,000 for the remainder of this year, and that they cannot bring the student 'in district' as they require on site OTPT. Mr. Martin stated the School Board had voted to add \$70,000 to the account for Handicapped Tuition, handing out a new budget sheet for that account. There followed a discussion on what costs are covered and where in the budget, with Mr. Martin explaining they did not wish to bring this student 'in district' with full benefits as they require a very specialized Para professional..

Mr. Martin referred to his e-mail in which he provided the Committee with answers to their questions from last week. He handed out an analysis of SPED. Tuition, stating he had received a request from Mr. Spencer for this. He explained the information is not mapped to grade levels and went over the information for the Committee, and a discussion took place.

Mr. Martin explained they are already providing services for four students who had not been identified in October when the budget had been created.

There followed a discussion regarding the \$70,000 budgeted for 2008/2009 with Mr. Martin clarifying the money had not been included twice, and that no money I allocated for anticipated students, only for those already receiving services.

Regarding voting on the School Budget, Chairman Lemire suggested they go by object summaries and they begin by putting forward a motion for the bottom line.

MOTION: by D Miller

Motion to approve a bottom line figure of \$20,195,992 for the 2008/2009 Litchfield School Budget

SECOND: J Harte

MOTION: by B Spencer

Motion to reduce line 110 (Salaries) by 38,700 to \$8,729,392

SECOND: M Falzone

Mr. Spencer explained the rationale for his amendment, providing details of the areas in which he was suggesting reductions, and there followed a discussion with Mr. Martin. Mr. Miller requested backup information showing how staff is paid compared to the mean salary for surrounding towns and explained the information which was handed out. There was further discussion with Chairman Lemire stating he questioned the process which was being used for the salary increases. Mr. Martin explained the School Board had delayed increasing the Administrators salaries by two years. Mr. Spencer picked out raises for last year (06/07) from the information provided to the Budget Committee.

VOTE: 7-1-0 (D Miller opposed the motion)

The motion carried.

MOTION: by B Spencer

SECOND: J Harte

Move to reduce line 112 (Administration Salary) by \$22,858 to \$617,323

Mr. Spencer explained the rationale behind his suggested amendment, stating this set the salary increases at 3%. Mr. Miller reiterated that the Board was trying to bring the school administrators up to a level comparable with the market, explaining it will cost a significant amount to replace anyone who leaves, and he provided examples. Chairman Lemire made it clear he was not implying that individuals do not deserve increases, but again stated he questioned the process being used. There followed a discussion in which Dr. Cutler attempted to clarify how the figures had been compiled, and what the Board was attempting to do.

VOTE: 6-2-0 (B McCue and D Miller opposed the motion)

The motion carried.

MOTION: by B Spencer

SECOND: M Falzone

Move to reduce line 114 (Paraprofessional Salaries) by \$30,000 to \$578,638

Mr. Spencer explained the rationale behind his suggested amendment, citing under spending. Mr. Martin explained they have to budget these salaries in the event a student comes back to the District.

VOTE: 5-2-1 (P Parker and D Miller opposed the motion, with B McCue abstaining as his wife is a Paraprofessional in the District)

The motion carried.

MOTION: by B Spencer

SECOND: J Harte

Move to reduce line 211 (Health Insurance) by \$46,458 to \$1,502,145

Mr. Spencer explained the rationale behind his suggested amendment, citing under spending in the last few years. There followed a discussion in which Mr. Miller spoke about the new law which has just come into effect, and changes during open enrolment which can have significant impact in this area.

VOTE: 7-1-0 (D Miller opposed the motion)

The motion carried.

MOTION: by B Spencer

SECOND: M Falzone

Move to reduce line 212 (Dental Insurance) by \$4,000 to \$136,283

Mr. Spencer explained the rationale behind his suggested amendment, citing under spending, and stating he was trying to be consistent in the process by making a 3% cut across the board.

VOTE: 7-1-0 (D Miller opposed the motion)

The motion carried.

MOTION: by B Spencer

SECOND: J Harte

Move to reduce line 220 (Social Security) by \$6,867 to \$739,420

Mr. Spencer explained the rationale behind his suggested amendment, stating this cut was in line with the salary reductions he had suggested.

VOTE: 7-1-0 (D Miller opposed the motion)
The motion carried.

MOTION: by B Spencer
SECOND: M Falzone

Move to reduce line 339 (Athletic Trainer Services) by \$3,944 to \$35,496

Mr. Martin explained this figure was contracted and there followed a discussion on the variables. Mr. Spencer stated this was a reduction of 10% and there followed additional discussion, with Mr. Martin pointing out they do not have the option of not providing the service.

VOTE: The motion was defeated.
The original figure remained unchanged.

MOTION: by B Spencer
SECOND: M Falzone

Move to reduce line 391 (Game Officials) by \$4,573 to \$41,152

Mr. Spencer explained the rationale behind his suggested amendment, citing consistent under spending, and stating this was a 10% reduction

VOTE: 6-2-0 (Selectman Peeples and D Miller opposed the motion)
The motion carried.

MOTION: by B Spencer
SECOND: M Falzone

Move to reduce line 430 (GMS Repairs and Maintenance) by \$44,862 to \$198,943

Mr. Spencer explained the rationale behind his suggested amendment. Mr. Martin spoke about the fact they do not know what will break and stated he would not recommend the Committee make this cut. There followed a discussion on repair costs per square foot.

VOTE: 5-3-0 (B McCue, D Miller and P Parker opposed the motion)
The motion carried.

MOTION: by B Spencer
SECOND: J Harte

Move to reduce line 432 (Boiler Repair and Maintenance) by \$5,000 to \$5,000

Mr. Spencer stated he had looked at the actual spending for this line in making his decision to suggest the cut. Mr. Martin spoke about a problem with one of the hot water heaters

VOTE: 7-1-0 (D Miller opposed the motion)
The motion carried.

MOTION: by B Spencer
SECOND: J Harte

Move to reduce line 446 (Software Lease) by \$2,692 to \$32,101

Mr. McCue clarified that the lease was for three years.

VOTE: 8-0-0
The motion carried unanimously.

MOTION: by B Spencer
SECOND: B McCue (for discussion)

Move to reduce line 519 (Transportation) by \$25,241 to \$751,363

Mr. Spencer spoke about over funding the account in previous years, and Mr. Martin provided an explanation of the under spending last year. He also pointed out they have already cut a half day bus, and Mr. Spencer recommended an administrative cut. Mr. Martin stated he would have to take the money out of Special Education or Vocational Education.

VOTE: 7-1-0 (D Miller opposed the motion)
The motion carried.

MOTION: by B Spencer
SECOND: J Harte

Move to reduce line 521(Insurance/Property) by \$3,515 to \$66,786

Mr. Spencer explained the rationale behind his suggested amendment, **and after discussion he withdrew his amendment.**

MOTION: by B Spencer

SECOND: J Harte

Move to reduce line 534 (Postage/General Expenses) by \$2,273 to \$20,457

Explaining the rationale behind his amendment, Mr. Spencer stated this was a flat 10% reduction.

VOTE: 7-1-0 (D Miller opposed the motion)

The motion carried.

Line 569 (Handicapped Tuition)

Mr. Spencer urged the School Board to put a warrant article on the ballot to put money in the Handicapped Tuition account, and Chairman Lemire agreed this would be beneficial. There followed a discussion with Chairman Lemire stating this was a volatile account, and Selectman Peeples pointed out the Town reserve also benefits the schools.

MOTION: by B Spencer

SECOND: M Falzone

Move to reduce line 610 (Supplies) by \$21,782 to \$413,851

Mr. Spencer stated his rationale was on a macro basis looking at the budgeted amount versus spending in the past and this represents a 5% reduction. Mr. Martin pointed out this is critical area.

VOTE: 7-1-0 (D Miller opposed the motion)

The motion carried.

MOTION: by B Spencer

SECOND: P Parker

Move to reduce line 622 (Utilities – Electric) by \$9,517 to \$275,339

Mr. Spencer spoke about a rate decrease due to stranded costs, but Mr. Martin explained that PSNH had informed them their average increase would be in the range of 2.7%. **Mr. Spencer and Mr.**

Parker then withdrew the amendment

Line 624 (Fuel Oil)

Mr. Harte asked about the budgeted rate in the backup and Mr. Martin confirmed the supplier, Fred Fuller had provided the figure at a point when the price of oil was lower than it is today.

MOTION: by B Spencer

SECOND: Selectman Peeples

Move to reduce line 700 (Site Development) by \$28,423 to \$27,000

Mr. Spencer stated he was suggesting cutting the track resurfacing and Mr. Miller commented that delaying maintenance further will cost more in the long run, and pointed out they are trying to do what the manufacturer recommends. He handed out an e-mail from the manufacturer to support the repair. Mrs. Couture stated a number of community members have shown concern about the condition of the track.

VOTE: 2-6-0 (Selectman Peeples and B Spencer voted for the motion)

The motion to amend failed.

MOTION: by B Spencer

SECOND: J Harte

Move to reduce line 810 (Dues and Fees) by \$700 to \$41,611

Mr. Spencer stated his rationale for the reduction was based on enrolment, SERESC, and Kid Voting. Dr. Cutler clarified what SERESC is for members of the Committee.

VOTE: 7-1-0 (D Miller opposed the motion)

The motion carried

Chairman Lemire confirmed the new bottom line for the School Budget, including Food Services and Grants was \$19,939,986.

The Committee voted on the new bottom line.

VOTE: 7-1-0 (D Miller opposed the motion)

The motion carried.

Chairman Lemire declared a five minute recess, after which he again called the meeting to order.

School Warrant Articles

Article 2

MOTION: by D Miller

SECOND: J Harte

Mr. Miller requested that the Budget Committee recommend the following warrant article:

Shall the Litchfield School District vote to raise and appropriate as an Operating Budget, not including appropriations by Special Warrant Articles and other appropriations voted separately, the amount set forth on the budget posted with the warrant or as amended by the vote at the first session of the Annual School District Meeting, for the purposes set forth herein, totaling \$19,939,986 (Nineteen million, nine hundred and thirty nine thousand, nine hundred and eighty six dollars). Should the article be defeated, the default budget shall be \$19,825,556 (Nineteen million, eight hundred and twenty five thousand, five hundred and fifty six dollars), which is the same as last year, with certain adjustments required by previous action of the Litchfield School District or by law; or the School Board may hold one special meeting, in accordance with RSA 40:13X and XVI, to take up the issue of a revised operating budget only.

VOTE: 7-1-0 (D Miller Opposed the motion)

The motion carried unanimously.

Article 1

MOTION: by D Miller

SECOND: B McCue

Mr. Miller requested that the Budget Committee recommend the following warrant article:

Shall the Litchfield School District vote to raise and appropriate the sum of Twenty-two million, two hundred and three thousand, three hundred and forty dollars (\$22,203,340) for the construction site development, and original equipping of a new grades Pre K – 5 elementary school building on property owned by the District; and to authorize the issuance of not more than Twenty million, six hundred and ninety two thousand, five hundred and fifty dollars (\$20,692,550) in bonds or notes in accordance with the provision of the Municipal Finance Act (RSA Chapter 33); and to authorize the Litchfield School Board to issue and negotiate such bonds or notes and determine the rate of interest thereon; and, in addition, raise and appropriate the additional sum of Five hundred and ninety seven, seven hundred and eighty five dollars (\$597,785) for the first year's principal and interest payments; and authorize the School Board to apply for, accept, and expend Federal, State and other aid, grants or donations, which may be available for the project; comply with all laws applicable to the project; and take any other action necessary to carry out this vote. Please note that it is also the intention of the Litchfield School Board to use Impact Fees, New Hampshire Department of Education State Building Aid, and New Hampshire Department of Education Kindergarten Construction Grant funds to reduce the costs of this project.

Three-fifths (3/5) ballot vote required

Mr. Martin pointed out the wording would be subject to approval of Legal counsel. Mr. Miller handed out copies of the bond schedule, explaining that the School Board had voted to put forward the 15 year bond, and that this would amount to between \$60 and \$100 per household per year). He confirmed there was a 5% interest rate cap and the total cost to the taxpayer would be \$23,795,883.

Discussion:

It was pointed out there are no operating expenses in the budget for Kindergarten. Mr. McCue obtained clarification for the benefit of the viewing public that the cost each year would not be incremental upon the previous year. Chairman Lemire spoke about other schools which have decided to renovate and stated he was still bothered by the fact that the Budget Committee still cannot have a figure for renovation. There followed a discussion, in which it was pointed out by the Building Committee Chairperson that there is not a lot of distinction between renovation and repair, and that renovation would be going against the recommendation from the State. Mr. Miller pointed out repairing the building would not resolve the educational deficiencies.

There was further discussion; with Mr. Harte asking to go on record as saying he does not wish to see his taxes increase, but feels he needs to look at the benefits to the Town of a new building. Selectman Peeples asked what the intention was for use of the old building if the new school were built, and Mr. Miller responded they would need a current appraisal and look at what would be best for the Town. It was also noted there would be a bridge cost of maintaining the old building.

VOTE: 5-3-0 (Selectman Peeples and B Spencer and P Parker opposed the recommendation). The motion to recommend the warrant article carried.

4. TOWN BUSINESS

a) **Police Department budget – presentation and explanation of 2007 line item purchases**

Chief O’Brion handed out information backup information to members of the Committee.

Line item 4210.10-620 (Office Supplies): Chairman Lemire noted this line was \$8,000 in deficit and the Chief responded that he had been instructed by Selectman Lambert, Board of Selectmen Police Liaison approximately a month ago to spend down this account. Selectman Peeples stated there had been no directive from the Board of Selectmen to do this. The Chief responded, when asked what the money had been spent on, that \$59,500 had been spent on equipment (as detailed in the backup). Mr. Spencer pointed out that this was money which should have been returned to the taxpayers, with Selectman Peeples pointing out that the Town was planning on returning \$400,000 to the taxpayer through the Reserve Fund Balance. The Budget Committee decided to delay further discussion until their next meeting on Tuesday, 8 January and Selectman Peeples agreed to ask Mr. Lambert to attend that meeting also.

It was agreed that the Committee would ask their questions this evening.

Account 4210.10 (Administration)

Mr. Spencer asked how wages for the second lieutenant were set, and the Chief responded, stating the lieutenant does additional prosecuting work.

Line item 341 (Telephone) – it was clarified for Mr. Harte they were adding wireless to the police cruisers.

There followed a discussion on overtime with Mr. Spencer stating he needed clarification of this. He asked why overtime is much more than in previous years and the Chief explained there are contractual minimums for overtime for training and court.

Account 4210.30 (Traffic Control)

Line item 125 (Wages – Special Officers) – In response to a query from Mr. Spencer as to why this money had not been used, the Chief explained they are short of five Special Officers and that this is why the overtime is so high.

Chief O’Brion explained that training hours have increased to one day/month.

Mr. Spencer asked for clarification on what officers do at court and the Chief provided examples.

Line item 635 (Vehicle fuel) - Chairman Lemire queried this and the Chief confirmed they are billed by Hudson, but not on a regular basis.

Account 4210.50 (Support Services)

There was a discussion about the contract for dispatch which the Chief explained is paid annually and that it will be increasing to \$20,010.

Line item 336 (Emergency Response Team) – The Chief explained the cost of membership has doubled and confirmed it was for membership to the NHSAU (SWAT) in order that the Town can obtain their services if required.

A discussion took place regarding the effect on overtime of bringing someone in on a contract basis and the Chief pointed out the work done by the lieutenant and that there has been an increase in the amount of crime in the Town which has impacted the lieutenants workload. Selectman Peeples requested information on actual crime occurrences as opposed to percentage increases.

Mr. Spencer pointed out that the majority of the over spending in the budget is for the lieutenant.

It was agreed that the Chief should attend the next meeting to present his 2008 budget.

Selectman Peeples stated he was waiting for Town counsel to finalize the wording of the warrant article for the Police Department. He handed out several items of updated information to the members of the Committee.

The Committee agreed to defer discussion of the other items on the agenda until the next meeting.

MOTION: by B McCue

Move to adjourn the meeting

SECOND: J Harte

VOTE: 8-0-0

The meeting adjourned at 10:10p.m.

- Next meeting January 8th, 2008 @ 6:30 p.m.

Minutes by Mrs. S Maxwell (Recording Secretary)