

**Minutes of
Litchfield Budget Committee Meeting**

Held on January 8, 2008

Present: Chairman B Lemire, B Spencer (Vice Chairman), R Peeples (Selectman's Rep.), J Harte, P Parker, D Miller, M Falzone, B McCue (joined the meeting at 6:50p.m.)

Chairman Lemire called the meeting to order at 6:42 p.m.

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 18, 2007 as written

SECOND: D Miller

VOTE: 8-0-0

The motion carried unanimously.

MOTION: by P Parker

Move to approve the minutes of the meeting on December 27, 2007 as written

SECOND: J Harte

VOTE: 7-0-1 (B McCue abstained)

The motion carried.

3. TOWN BUSINESS

a) 2007 Police Unbudgeted Items

Chairman Lemire clarified for Chief O'Brien that the Budget Committee could only question the Selectman Representative on Police Department expenses. He reviewed the situation from the previous meeting, summarizing that the Budget Committee felt it was unusual and irregular to spend unbudgeted items of this amount at the end of the year. He stated the Committee was very concerned as the expenditures had not been voted on by the Board of Selectmen.

Chief O'Brien stated he wanted the public to be assured this was not frivolous spending, explaining that MRI (who had been hired as consultants to do a study on the Police Department) had informed him there were several items lacking in the department. He explained those items included deficiencies in security, lack of video taping in certain instances which could lead to liability issues. Chairman Lemire pointed out MRI has not issued their report to the Town as yet and clarified what the process would be.

Mr. George Lambert, Selectman liaison to the Police Department was in the audience and he stated he had asked for an early summary so that some required items could be purchased this year. He provided details of the items, also referring to the fact the Board of Selectmen had spoken of money allocated by voters for specific items which ought to be used this year. He provided background information, stating there had been a Board of Selectmen recommendation to department heads regarding spending.

Mr. Spencer stated that in his experience with the Town he had never come across this before. There followed a discussion, in which Selectman Peeples provided input regarding the study by MRI. Chairman Lemire clarified he had confirmed with MRI that they do not recommend when items should be purchased and he felt therefore it would not be proper to bring them into this discussion. He also stated he did not doubt the motives of Selectman Lambert or anyone else, but the situation did not represent proper custodianship of the Town's money. Mr. Falzone pointed

out there were several purchases over \$7,500 (the maximum amount allowed without going to bid), and confirmed that none of these had gone out to bid. The Chief provided information on the items purchased; confirming none of the purchases would reduce next year's budget. The discussion then moved to the 2008 budget.

b) 2008 Police Department Budget (A/C 4210)

Chief O'Brien explained some of the items on the 2006 offense log statistics sheet he had distributed to the Committee. He pointed out that they also have Hillsboro County who do dispatch on nights and weekends for the Town. Mr. McCue clarified the number of calls since 1992 has quadrupled, and the Chief explained about the number of man hours worked for one incident which could be substantial. He also explained that this year part time officers worked over 40 hours and therefore they were entitled to overtime as this was part of their contract.

Administration (4210.10)

Line item 10-430 (Equipment Maintenance Contract) – In response to a query from Mr. Falzone the Chief confirmed this was for a copier and the figure of \$600 was correct.

Crime Control (4210.20)

Line item 430 (Equipment Maintenance Contract) - The Chief confirmed the over spending in 2007 in this line was due to a new system, clarifying the costs which were included in this line.

Traffic Control (4210.30)

Line item 111 (Patrolman Wages) - Mr. Spencer queried the figures and there followed a discussion on the numbers, with the Chief confirming \$207,204 for five officers.

Chairman Lemire suggested they hear a motion for the bottom line and proceed from there.

MOTION: by Selectman Peeples

Move to approve a bottom line of \$1,132,690 for the 2008 budget for account 4210, Police Department

SECOND: D Miller

There followed a discussion, during which it was confirmed the proposed bottom line reflects the \$207,204 for Patrolman Wages.

MOTION: by Chairman Lemire

Move to reduce the bottom line for account 4210, Police Department to \$988,210

SECOND: B Spencer

There followed a discussion during which Chairman Lemire provided the rationale behind his suggested amendment, stating it did not take anything away from the current budget and assumes full staffing, however it removes the cruiser which has been requested and the Prosecutor. The Chief requested the Committee consider an increase in cruiser repair as the cruisers have high mileage. In response to a query from Mr. Parker, Chairman Lemire explained collective bargaining has to be done separately. He also clarified for Mr. Miller that the amendment did not cover the maintenance fees the Chief had asked for.

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

The motion carried.

Mr. Spencer commented he was still concerned about what happened in the budget this year and it was clear the staffing is not there right now; therefore he wished to propose moving money into the Contingency Fund.

MOTION: by B Spencer

SECOND: J Harte

Move to remove \$40,000 from account 4210, Police Department to the Contingency Fund for the 2008 Budget

Mr. Spencer explained the rationale behind his motion, stating the Police Department could request the additional funds through the Board of Selectmen if they required them. His proposal reduced Specials and Lieutenants Wages by \$20,000 each.

Discussion:

Mr. Miller queried the wages for special officers (line item 125) and Selectman Peeples commented he wanted to ensure this would not impact the resource officer for the school. There was further discussion, and the Chief provided an explanation of the current situation, stating there was no-one in the school right now. Mr. Spencer clarified that his motion did not preclude a resource officer being hired.

VOTE: 4-4-0 (B McCue, Selectman Peeples, D Miller and B Lemire opposed the motion).
The motion failed as there was a tie vote.

The new bottom line for the Police Department is confirmed at \$988,210.

c) Payroll

Chairman Lemire again raised his concern about the number of pay days in 2008, stating he wanted to ensure the Town auditor can confirm there are not 53 pay days in 2008. There followed a discussion regarding the first week in January and whether this should be applied to 2007 or 2008, with Mr. Dilworth Jr. confirming the same pay week for 2007 had been applied to the 2006 budget.

d) Cable Committee (A/C 4589)

Selectman Peeples clarified that the Board of Selectmen had suggested to the Cable Committee they purchase some items they required in 2007 to reduce their budget for 2008.

MOTION: by Selectman Peeples

Move to approve a bottom line of \$42,603 for account 4589, Cable Committee for the 2008 budget

SECOND: M Falzone

Selectman Peeples explained this will allow for finishing the meeting rooms in CHS and the Town Hall and also for the cost of staff to cover meetings.

VOTE: 8-0-0

The motion carried unanimously.

e) Emergency Management (A/C 4290)

MOTION: by Selectman Peeples

Move to approve a bottom line of \$26,000 for account 4290, Emergency Management for the 2008 budget

SECOND: J Harte

Selectman Peeples pointed out he had provided the Committee with information on the trailer, explaining the cost was for the trailer only and that it was custom made.

In response to a query from Mr. McCue, Chief Schofield explained the trailer could be pulled by several trucks owned by the Fire Department and provided information on the plans for the use of the trailer, stating the trailer will provide a way to reduce the cost of gas and will avoid the use of expensive fire trucks all the time.

Line item 740 (Equipment Purchases) – In response to a query from Mr. Harte, the Chief explained \$900 had been added by the Board of Selectmen for lettering on the trailer. He also pointed out that the current trailer used by the Fire Department belongs to the school. He stated the new trailer will not be a command center as the department does not have a need for one, and he confirmed the trailer would be secured.

VOTE: 8-0-0

The motion carried unanimously.

f) Grants

It was confirmed there were no grants available.

g) Personnel Administration (A/C 4155)

MOTION: by Selectman Peeples

Move to approve a bottom line of \$319,650 for account 4155, Personnel Administration for the 2008 budget

SECOND: M Falzone

Discussion:

It was pointed out this account is purely driven by payroll. There followed further discussion and Mr. Dilworth Jr. provided information on his calculations for retirement and social security.

MOTION: by M Falzone

Move to reduce line item 220, Social Security Taxes, to \$64,000

SECOND: D Miller

VOTE: 8-0-0

The motion carried unanimously.

Discussion:

Chairman Lemire stated he was concerned about the figure for Police Retirement (line item 232) and Mr. Dilworth Jr. provided further information about the calculations for this line item.

MOTION: by M Falzone

Move to reduce line item 232, Police Retirement Expenses, to \$60,900

SECOND: Mr. McCue

VOTE: 8-0-0

The motion carried unanimously.

MOTION: by D Miller

Move to increase line item 231, Firefighter Retirement Expenses to \$17,100

SECOND: J Harte

VOTE: 8-0-0

The motion carried unanimously.

The new bottom line for account 4155, Personnel Administration is \$241,953

VOTE: 8-0-0

The motion carried unanimously.

h) Town Warrant Articles

Selectman Peeples stated he did not have copies of these for everyone as yet.

Engineering Services for Albuquerque Avenue at the Chase Brook Drainage Project

MOTION: by Selectman Peeples

Move that the Budget Committee support the following Warrant Article on the 2008 ballot

To see if the Town will vote to raise and appropriate the sum of \$62,000.00 for engineering services to design Albuquerque Avenue at the Chase Brook drainage project. This appropriation shall be non-lapsing per RSA § 32:7, VI, and will not lapse until the work is completed or December 31, 2012.

Recommended by the Board of Selectmen

SECOND: B McCue

Selectman Peeples explained the culvert traversing Albuquerque needs replacing, but it would be impossible to get a price until the hydrology is done, and he stressed the importance of including both upstream and downstream of the culvert in this to avoid potential flooding elsewhere. He confirmed the figure in the warrant article is an estimate.

VOTE: 8-0-0

The motion carried unanimously.

Corning Road Drainage Project

MOTION: by Selectman Peeples

Move that the Budget Committee support the following Warrant Article on the 2008 ballot To see if the Town will vote to raise and appropriate the sum of \$428,300.00 to engineer and construct a road drainage system on Corning Road. This appropriation shall be non-lapsing per RSA § 32:7, VI, and will not lapse until the work is completed or December 31, 2012.

Recommended by the Board of Selectmen and recommended/not recommended by the Budget Committee.

SECOND: M Falzone

Selectman Peeples provided background and history on the situation on Corning Road. There then followed a discussion regarding the possibility of using block grant money to pay for this and Brook Road. Selectman Raccio confirmed for informational purposes that block grant money previously set aside for this project had not been used as the project was never done. After further discussion it was agreed by the Committee to table voting on this until Friday, January 11 and Selectman Peeples was asked to present options prior to the public hearing on Friday in order that these could be presented at that time.

MOTION: by D Miller

Move to table voting on the Corning Road warrant article until the Budget Committee meeting on Friday, 11 January 2008

SECOND: B McCue

VOTE: 8-0-0

The motion carried unanimously.

Two (2) Full-Time Police Officer Positions

MOTION: by Selectman Peeples

Move that the Budget Committee support the following Warrant Article on the 2008 ballot To see if the Town will vote to raise and appropriate the sum of \$52,600.00 to hire two (2) full-time police officers effective July 6, 2008. The cost for the period of July 6, 2008 through December 31, 2008 is \$52,600.00, of which \$36,200.00 is for salary and \$16,400.00 is for benefits and equipment. The annual cost for said officers will be \$109,403.00, of which \$75,339.00 will be for salary and \$34,064.00 will be for benefits and equipment. Recommended by the Board of Selectmen and recommended by the Budget Committee.

SECOND: J Harte

Selectman Peeples stated this was brought forward by the Police Chief as part of his budget, due to the increase in crime and the understaffing in the department. Mr. Miller asked about the resource officer and there followed a discussion regarding hire date, training and when they would be available to work in the department.

Further discussion took place about last year's Town meeting and staff proposal, and Selectman Peeples stated the MRI report will be available on Friday to the Board of Selectmen for review, and for the public hearing at the end of January.

VOTE: 7-1-0 (B Spencer opposed the motion).

The motion carried.

Fire Station at 2 Liberty Way

MOTION: by Selectman Peeples

Move that the Budget Committee supports the following Warrant Article on the 2008 ballot To see if the Town will raise and appropriate the sum of \$1.9 million for the design, construction, and fit-up of a new fire station on Town owned land at Two Liberty Way, and authorize the issuance of not more than \$2,403,394.44 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA Chapter 33), and to authorize the Board of Selectmen to issue and sell such bonds or notes and to determine the rate of interest thereon; and further, to raise and appropriate the sum of \$52,144.44 for the purpose of paying the first year's bond issuance costs and interest on said bonds or notes.

Recommended by the Board of Selectmen

SECOND: B Spencer

Selectman Peeples explained that the Board of Selectmen were proposing a lease purchase, costing not more than \$2.5 million for the total project cost. He explained the lease cost would be \$313,000/year, stating that it made sense to lease buildings as well as equipment. He also stated there will be someone from the lease company at the Town meeting.

Discussion:

Mr. McCue asked whether there was a requirement of a minimum level of maintenance by the lessee. Selectman Peeples stated he had spoken to Town counsel and the impact on the tax rate would be 30cents; that it was not front loaded nor would it have the bond initiation costs. Chairman Lemire confirmed he had heard of no issue about Towns doing this. Selectman Peeples stated the loan would be paid off over 10 years, and the interest rate would be 4.35%. He also pointed out that no payment would be due until the building had been completed, and that 10 years minimizes the tax impact but raises the interest rate slightly.

Mr. Harte asked for details of the building and Chief Schofield responded, stating it would be located at 2 Liberty Way; it is the same plan as had been brought forward two years ago. He spoke about the drawbacks of the current building and the advantages of the new location. Mr. Spencer asked about fitting new engines into the existing building. Mr. Harte asked about what would be required to make the existing plan into a full time building. The Chief responded that the building design made this easy and stated it was similar to the fire station in Londonderry. Mr. Spencer asked about whether the Board of Selectmen would wish to reduce the length of the lease to seven years. Selectman Peeples spoke about things of benefit in the building. The Chief also spoke about benefits for the Town, such as using the offices for Board of Selectmen meetings.

Mr. Miller voiced his displeasure regarding this versus the school, stating no plans had been presented or final costs known and the Budget Committee were being asked to support it. Selectman Peeples responded, stating they are re-engineering the plans to fit the new site. Chairman Lemire asked if detail could be available for the Budget Committee Thursday meeting. There followed a discussion and the Budget Committee felt it would be in their best interests to have more detail before making a decision. There was also a discussion about utilizing the old building. Chairman Lemire suggested the Budget Committee be forwarded as much information as possible within the next day and half and could use the Thursday meeting to discuss the information.

Action: The Budget Committee consensus was to table the vote until later in the meeting and the Chief arranged to obtain the plans to go over them with the Committee.

Mr. Raccio reminded Selectman Peeples there was other outstanding business which needed to be dealt with.

Albuquerque Road Guard Rail

Mr. Spencer asked if the Road Agent has said there is a safety issue with the current guard rail and Selectman Peeples explained there had been a request from a resident.

MOTION: by Selectman Peeples

Move that the Budget Committee support the following Warrant Article on the 2008 ballot To see if the Town will vote to raise and appropriate the sum of \$10,000 to engineer and construct a road guard rail on Albuquerque Road at Nesenkeag Brook. This appropriation shall be non-lapsing per RSA § 32:7, VI, and will not lapse until the work is completed or December 31, 2012. Recommended by the Board of Selectmen

SECOND: D Miller

There followed a discussion about the use of the guardrail.

VOTE: 0-8-0

The motion failed unanimously, and **the warrant article is not recommended by Budget Committee**

Chairman Lemire declared a five minute recess at 9:00 p.m., calling the meeting to order again at 9:05 p.m.

i) Salaries

Referring to the e-mail he had sent the Budget Committee, Selectman Peeples explained the Board of Selectmen approved 3% for non bargaining staff, except for the Fire Department, who are taken care of with a market adjustment. Mr. Dilworth Jr. explained how he had calculated the figures. There followed a discussion regarding the information the Budget Committee require for Friday's public hearing.

Mr. Harte confirmed the new bottom line for the total town budget was \$4,044,742. Mr. Harte agreed to update his spreadsheet for Thursday and distribute the information to the members.

MOTION: by B Spencer

Move to authorize a new bottom line for the 2008 Town of Litchfield Operating Budget of \$4,044,742

SECOND: B McCue

There followed a discussion regarding the updated figures and their accuracy, with Mr. Dilworth Jr. explaining his calculations for salaries and benefits.

VOTE: 8-0-0

The motion carried unanimously, pending verification of the Budget Committee's spreadsheet. Mr. Spencer reviewed the figures for the Town Clerk's office. The Committee agreed to vote on the warrant article for the Town Operating Budget at Friday's meeting.

- j) Presentation of Fire Department proposed salaries** Selectman Peeples stated they had used the local Government Center for comparison figures with other towns and he went over those salaries which they adjusted. Chairman Lemire again reiterated he had a problem with process of salary adjustments the Board of Selectmen have been using for 2008. He stated he felt that using data for full time staff was invalid and they should be compared to call firefighters. There followed a discussion with Selectman Peeples. The proposed salaries added a total cost of approximately \$23,000 to the Fire Department budget. (Mr. Spencer confirmed it was in fact \$17,073, and asked if the proposed salaries are consistent with others in the area). It was confirmed that the fire fighters do not receive benefits, and they are provided with the same training as regular fire fighters. Selectman Peeples stated this would bring them to the minimum average wage, and he felt it fair and prudent. He also pointed out that the Board of Selectmen tried to get a merit system in place but had failed. Chairman Lemire reminded the Budget Committee that they had reduced market based salaries for the school administrators.

MOTION: by Selectman Peeples

To set a bottom line for account 4220, Fire Department of \$582,941 for the 2008 Budget

SECOND: M Falzone

Mr. Harte confirmed that the only change the Budget Committee had made to the account was for the Call Firefighters

VOTE: 8-0-0

The motion carried unanimously.

- k) New Fire Station presentation (continued from previous discussion earlier in the meeting)**

Referring to the existing plans Chief Schofield confirmed the building would have vinyl siding and some cinder blocking, and there would be five bays instead of the original three. He stated the training room could be used by for other things e.g. an emergency operations center.

Mr. McCue asked about the kitchen and the total square footage, and the Chief confirmed it would be approximately 6,000square feet plus the additional bays. There followed a discussion on the cost of the additional bays and for repositioning the building to the new site. The Chief stated he would obtain the square footage, and confirmed they did not yet have the final price. Further discussion took place regarding the improvements which would be made to the new building and the Chief confirmed he was exploring all options regarding possible grants. There was also a

discussion regarding the request for a new generator and whether this could be used in the new building.

Selectman Peoples indicated what the site plan would look like on the whiteboard. During further discussion the Chief stated he hoped the location would reduce their response times and Selectman Peoples confirmed the new building would not be in the flood plain.

Mr. Miller stated he was not comfortable with the fact that they did not have the final figures.

MOTION: by Selectman Peoples

That the Budget Committee supports the Warrant Article for a new fire station on the 2008 ballot

(As previously stated above)

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

The motion carried.

Selectman Peoples handed out Revenue projection figures.

Chairman Lemire confirmed the figure for the default budget would be available for Friday. Mr. Spencer clarified they will not know what the impact is on the tax rate for the public hearing.

MEMBER INPUT

Mr. Miller requested that someone re-open the salary account for the School Administrators and SAU staff.

MOTION: by J Harte

Move to re-open account 112 Administration Salaries

SECOND: B McCue

Mr. Miller handed out a sheet which indicated a salary analysis and presented its contents. He asked the Committee to reconsider the cuts they made before. Mr. Spencer stated he did not wish to discuss this without having his figures in front of him. Mr. Miller stated he would confirm what the difference is between the figures in the MS-22 column and what is in the budget book.

MOTION: by M Falzone

To table the motion on the floor

SECOND: J Harte

VOTE: 8-0-0

The motion carried unanimously.

Mr. Spencer asked about the money encumbered for paving and received clarification that the money would not go to the fund balance.

Selectman Peoples thanked the Committee for their support over the year.

MOTION: by D Miller

Move to adjourn the meeting

SECOND: J Harte

VOTE: 8-0-0

The meeting adjourned at 10:30p.m.

- Next meeting scheduled for January 11, 2008, after the Budget Committee hearing.

Minutes by Mrs. S Maxwell (Recording Secretary)