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Minutes of
Litchfield Budget Committee Meeting
Held on May 28, 2009

The Litchfield Budget Committee held a meeting on Thursday, May 28, 2009, at Campbell High School, 1 Highlander Court, Litchfield, NH 03052.

PRESENT: B Lemire (Chair), J Harte (Vice Chairman), M Falzone, B Spencer, R Peeples, P Parker, J Guerrette (School Board Representative), G Lambert (Board of Selectmen Representative)

Mr. Lemire called the meeting to order at 7:01 p.m. He noted that the meeting is not being recorded or broadcast live.

1. PUBLIC INPUT

There was no public input.

2. APPROVAL OF MINUTES

MOTION: by Mr. Harte

Move to approve the minutes of the Budget Committee meeting on April 23, 2009

SECOND: Mr. Falzone

Mr. Harte amended the minutes under Town Business to reflect that Mr. Lambert, and not Mr. Guerrette, confirmed that the police cruiser is still in the budget.

VOTE: 6-0-1, Mr. Peeples abstained.

The motion carried.

3. TOWN BUSINESS

Mr. Lambert reported that the money for the purchase of the police cruiser is in the budget. He also reported that the Administrative Assistant position for the Board of Selectmen has been filled. The candidate will begin in the position in two weeks.

Mr. Spencer queried about the starting salary for the position. Mr. Lambert responded that he needed to check the Selectmen's meeting minutes for the exact starting salary, but indicated that the employee would start at a Grade 13, Step 3 salary.

Mr. Lemire reported that he, the Town Clerk, and Cecile Durocher served on the screening committee and that he felt privileged to do so. He indicated that they started with twenty candidates and interviewed eight. They presented the Selectmen with the two they felt were best suited for the position.

1 Mr. Lambert commented that it was a tough choice as both candidates served ten
2 years in municipal government positions and were well qualified for the position.

3
4 At the April 23, 2009 meeting, Mr. Lambert distributed the Actual and Budgeted
5 Expense and Encumbrances report dated April 22, 2009, explaining the cuts made by
6 the Board of Selectmen as a result of feedback from the department heads are
7 included in these figures. At that time, Mr. Harte requested a report which showed
8 which accounts have been amended and by how much. Mr. Lambert indicated that
9 the report was not available at the Town Hall at this time.

10
11 Mr. Lemire indicated that he would share in the responsibility for the current budget
12 forms unavailability for this meeting. He felt Mr. Lambert should have notified them
13 that the Budget Committee requested them for this meeting. Mr. Lemire suggested
14 that the forms be available for the Monday prior to the Budget Committee meeting.

15
16 Mr. Harte queried about the details of budget monies that were being moved around
17 to offset the shortfall for insurance. Mr. Lambert responded that Ms. Durocher is
18 keeping track of the monies, which will be reflected in the new Budget Actuals. He
19 indicated that information is available in the Selectmen's meeting minutes and that a
20 report will be available for the next meeting.

21
22 Budget Committee members discussed the format of the report, indicating that it
23 should reflect the account(s) the monies were transferred from and the line item(s)
24 where the monies were appropriated.

25
26 Mr. Harte commented that knowing where the monies were transferred would help in
27 preparation for the 2010 budget. Mr. Lemire indicated that he received a report in
28 early April for all department concessions in relation to the default budget and
29 queried if there was another document collating all the department reductions.
30 Mr. Lambert noted that the budget cuts that were made were sent to the Budget
31 Committee on March 31 and that he will the budget cuts and list of monies moved.
32 Mr. Lemire indicated that notification to the Budget Committee by the Selectmen is a
33 courtesy and the Budget Committee has a fiscal responsibility to monitor the budget,
34 but no authority to act on it until a new budget is presented.

35 ***Action Mr. Lambert.***

36
37 Budget Committee members discussed the legalities of spending money that was not
38 in the budget or a warrant article. Mr. Lemire indicated that the "no means no" law
39 refers to language in a warrant article and that the town or school district cannot
40 spend money from the operating budget on items that were not discussed at the
41 budget hearing of deliberative session. Mr. Lemire indicated that voters cannot vote
42 on items not discussed at the budget hearing and cannot amend items at deliberative
43 session that were not discussed at the public hearing.

44
45 Mr. Spencer commended the Selectmen for the paving of Woodhawk Way and
46 queried as to how the Selectmen would pay for the work. Mr. Lambert indicated that

1 there was some discussion about block grant funds and that those discussions have
2 not yet concluded. He also noted that there was some pavement remaining and Blue
3 Jay Way was also paved.
4

5 During the previous Budget Committee meeting on April 23, 2009, Mr. Lambert
6 reported on the incinerator and that Solid Waste sub-committee is working on a plan
7 and provided an update on the current progress of the group. Mr. Spencer made a
8 formal request on behalf of the Committee that the schedule be presented at the next
9 Budget Committee meeting in May and pointed out the Committee need to start
10 hearing about the overall plan by September 2009 at the latest.
11

12 Mr. Harte queried about the Solid Waste Sub-Committee. Mr. Lambert reported that
13 there was a proposal from Concord to join a multi-community coalition to work on
14 the recycling solution. However, Mr. Lambert indicated that the town is doing a
15 better job of recycling to date and the proposal would carry an additional cost. They
16 felt it was not a good option for the town.
17

18 Mr. Lemire reported that he spoke with Senator DeVries regarding School Building
19 Aid and that it was removed from the State budget. Senator DeVries assured Mr.
20 Lemire that the Senate is committed to returning Building Aid to the budget.
21

22 Mr. Lemire noted that Senator DeVries informed him that road projects will be put
23 back into the budget. He also reported that Senator DeVries sponsored a bill to allow
24 towns to have special meetings to accept stimulus money and allow a reduction of the
25 budget, and that revenue sharing will be ending.
26

27 Mr. Lemire indicated that the State Retirement System bill reduces the state's share of
28 employer contributions for teachers and Group II employees from 35% to 30% in
29 2010, and 25% in 2011. The House raised the employee rates to help offset this
30 increased cost, but the Senate Finance Committee proposed to delete the increase,
31 leaving the full cost shift to be borne by local communities.
32

33 Mr. Spencer queried how the special meeting to allow the reduction of budgets would
34 apply to towns and schools. Mr. Lemire responded that it would only apply to certain
35 items. Mr. Lemire also explained that the Retirement System will not cover extra
36 duty pay for fire or police department employees. Any extra duty not related to their
37 jobs would come from the town.
38

39 Mr. Guerrette asked about the employee contribution to the retirement system in
40 relation to extra duty assignments. Mr. Lemire explained that employee contributions
41 are covered by the retirement system and are set each July 1. The Legislature can
42 increase these contributions because they set them. The Legislature is anticipating
43 that employees are going to be increasing their contributions starting July 1 and some
44 towns are considering no special duty. This information will be important for those
45 dealing with contracts to know.
46

1 Mr. Lemire reported that he received a memorandum from the DRA regarding the
2 assessed valuation of the town. He noted that the valuation has been reduced to
3 \$837,576,219 from \$959,262,809. This is an adjustment of \$122,106,590. Mr.
4 Lemire explained that this applies to the state and county tax portion of the tax rate.
5 The current valuation will still be used for school and town portions of the tax rate.
6

7 **4. SCHOOL BUSINESS**

8 At the previous Budget Committee meeting on April 23, 2009, Mr. Guerrette agreed
9 to provide copies of the District enrollment figures for the Committee.
10

11 Mr. Guerrette provided the April 2009 School District Business & Financial Report to
12 Committee members. He also provided the April 2009 District enrollment report and
13 the head count of District employees requested by Mr. Spencer at the previous
14 meeting.
15

16 Mr. Spencer indicated that when he requested the current head count of District
17 employees, he also requested the prior two years for comparison to have an idea of
18 how the staffing has changed in relation to enrollment reductions and the budget. Mr.
19 Spencer stated that if the research is not readily available he does not want to cause
20 any more work for the SAU.
21

22 Mr. Harte queried about the discussion recently held at the Town Hall regarding the
23 airport access road and the potential of adding housing in Litchfield. Mr. Lambert
24 noted that the discussion was relative to the construction of a technology and office
25 park near the new airport onramp. The NRPC suggested Litchfield work with
26 surrounding communities to apply for a grant to understand the impact in regard to
27 housing, schools, traffic flows, zoning, etc. The potential impact of the creation of
28 9,000 to 13,000 jobs could increase Litchfield's population. Mr. Lambert reported
29 that the Selectmen have agreed to apply for the grant.
30

31 Mr. Lemire asked Committee members if there were any questions or clarifications
32 relative to School District business.
33

34 Mr. Spencer queried about the Special Education tuition at GMS, indicating it could
35 potentially be under spent. Mr. Harte asked if the \$140,000 under spend in Special
36 Education is included in the \$201,000 forecast under spend. Mr. Guerrette indicated
37 that it was not included.
38

39 Mr. Spencer commented on the Vocational Tuition account and Self-Funded
40 Programs account regarding under spending. He also queried about CHS Guidance
41 Services Salaries, indicating that there is a potential discrepancy in the administrator
42 salary line item. Mr. Spencer asked for clarification of the CHS Guidance Salary
43 Account.
44

45 ***Action Mr. Guerrette: clarification of CHS Guidance Salary Account***

1 Mr. Spencer noted a potential under spend in the tuition reimbursement account. Mr.
2 Lemire indicated that if it is included in the teachers' contract it must be funded.
3 There were concerns by some Budget Committee members on adjustments to the line
4 item in the past. Mr. Lemire indicated that the Committee has justified bottom line
5 amounts, but not gone through every line item for several years.

6
7 Budget Committee members discussed how the budget is determined by both the
8 Budget Committee and the School Board. Mr. Lemire commented that Committee
9 members determined that a budget of that size was unmanageable to examine line by
10 line. Mr. Harte explained that Committee members go through the school district
11 budget by function and not line item.

12
13 Mr. Spencer queried about the cost that was encumbered for fuel oil at GMS and
14 requested clarification from the SAU.

15 ***Action Mr. Guerrette: clarification of \$65,000 encumbered to June 30 in the GMS***
16 ***fuel oil account***

17
18 Mr. Spencer queried about the cost encumbered for electricity and fuel oil at LMS
19 and requested clarification from the SAU.

20 ***Action Mr. Guerrette: clarification of the cost encumbered for electricity and fuel***
21 ***oil to June 30 for LMS***

22
23 Mr. Spencer queried about the status of the Building Committee. Mr. Guerrette
24 indicated that the Building Committee members agreed to dissolve. Mr. Lemire
25 indicated that he requested and received the draft Building Committee minutes from
26 the last meeting and the draft Building Committee FAQ Report as matters of public
27 record. He offered to share them with the Budget Committee members. Mrs. Flynn
28 indicated that the School Board requested clarification of some items on the FAQ
29 Report and that the Board had not officially approved the document. Budget
30 Committee members agreed to wait for the Board to approve the report before
31 distribution.

32
33 Mr. Spencer commented about the potential impact on the taxpayers regarding the
34 warrant article relative to the Special Education Reserve Fund that was passed by the
35 voters in March 2009. The warrant article indicated that the District can appropriate
36 up to \$50,000 of the unreserved year-end fund balance for the Special Education
37 Reserve Fund. Mr. Spencer felt that the District should not allocate any funds to that
38 account.

39
40 Mr. Guerrette indicated that Mr. Martin's contention is that the District must comply
41 once the MS-22 has been completed and sent to the State. Budget Committee
42 members discussed the language of the article in relation to the Board's discretion to
43 contribute money into the reserve fund.

44
45 **MOTION:** by Mr. Spencer

1 *That the Budget Committee requests that the School Board refrain from*
2 *appropriating up to \$50,000 to be added to the Special Education Capital Reserve*
3 *Fund as authorized in Article 4 at the School District Meeting.*

4 **SECOND:** by Mr. Harte

5
6 Mr. Spencer indicated that he is recommending that the Board think about refraining
7 spending the year-end money. Mr. Lemire suggested that Mr. Spencer reword the m
8 motion to indicate the intent stated.

9
10 Mr. Lambert commented that any citizen can make the same request; however, the
11 voters approved this article. We would be asking the Board to consider doing
12 something contrary to what the voters told them to do. Mr. Lemire indicated that, in
13 his opinion, the voters enabled them to add money to the reserve fund, but did not tell
14 them to do so. He felt that since the Budget Committee has a fiduciary duties to the
15 town, that it is within the Committee's authority to ask them to refrain from spending
16 the money.

17
18 A discussion followed regarding the rationale of the Budget Committee's request.

19
20 **MOTION AMENDED:** by Mr. Spencer

21 *That the Budget Committee requests the School Board refrain from appropriating*
22 *any monies to the Special Education Reserve Fund.*

23 **SECOND:** by Mr. Harte

24
25 Mr. Lambert wanted to clarification that the Board intends to add money to the
26 Special Education Reserve Fund based on the uncertainty of funding from the State.
27 Mr. Guerrette expressed that he felt the Board was absolutely going to add money to
28 that account.

29
30 **VOTE: 7-0-0 unanimous**

31
32 **5. DISCUSSION/INPUT ON CONTRACTUAL NEGOTIATIONS**

33
34 Mr. Lemire indicated that it was necessary to preface this discussion for both the
35 School Board and Selectmen's representatives that this Committee has no jurisdiction
36 with contractual negotiations. The Budget Committee does have to vote on contracts
37 and would like to be able to recommend that the contract(s) be brought before the
38 voters. He explained that the previous year the Committee was presented with
39 contract information late into the budget process.

40
41 Mr. Lemire indicated that in June he will present a proposed schedule and request
42 Selectmen implement that schedule to submit budgets to the Budget Committee in a
43 timely manner. The same request will be made to the School District. The Budget
44 Committee will also ask for a deadline on all warrant articles.

1 Mr. Spencer noted that the intent for the agenda item was to have a general discussion
2 to determine what Committee members would like to see in contractual negotiations.
3 Mr. Lemire asked for the status of negotiations from both representatives.
4

5 Mr. Guerrette responded that he was not sure of the status of the teacher negotiations.
6 Mr. Lambert responded that the Selectmen have not selected their representative for
7 police department negotiations to date.
8

9 Mr. Spencer indicated that he would like to understand the impact of the Evergreen
10 legislation on contracts. Budget Committee members discussed the ramifications of
11 the Evergreen legislation, retirement system status, and the economy on town and
12 school district contracts.
13

14 Mr. Lemire commented that the retirement system status would result in a fiscal cost
15 impact to municipalities. Mr. Spencer indicated that there is a disparity in benefit
16 levels between school district and town contracts. He noted that if perfect attendance
17 payment is included in the next teachers' contract he would like to see the numbers
18 for clarification.

19 *Action Mr. Guerrette: Board status in contract negotiations*

20 *Action Mr. Lambert: Town status in contract negotiations*
21

22 Mr. Peeples requested that the Budget Committee have as much time as needed to
23 analyze the impact of the contracts on the town.
24

25 Mr. Lemire requested that both representatives express the Budget Committee's
26 concern with the economy and ask for consideration for reasonable contracts.
27

28 **6. MEMBER INPUT**

29 There was no member input.
30

31 • **Upcoming meetings**

32 June 25, 2009
33

34 **MOTION:** by Mr. Harte

35 *Move to adjourn the meeting*

36 **SECOND:** Mr. Falzone

37 **VOTE:** 7 -0-0

38 **The motion carried unanimously and the meeting adjourned at 9:07 p.m.**
39
40

41 **Minutes by:** *Mrs. Michele E. Flynn (Recording Secretary)*
42
43