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3 **Minutes of**
4 **Joint Meeting of the Litchfield Budget Committee**
5 **And the Board of Selectmen**

6 **Held on June 25, 2009**

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8 The Litchfield Budget Committee held a meeting on Thursday, June 25, 2009, at
9 Campbell High School, 1 Highlander Court, Litchfield, NH 03052.

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

14 **ALSO IN ATTENDANCE:** F Byron (Chairman of Board of Selectmen, Selectman S
15 Perry, Selectman P Jewett, Attorney D LaFevre, K Lynch (Health Officer), J Pinciario
16 (Road Agent)

17
18 Mr. Lemire called the meeting to order at 7: 32 p.m.

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20 1. **PUBLIC INPUT**

21 There was no public input.

22
23 2. **APPROVAL OF MINUTES**

24 **MOTION:** by Mr. Harte

25 *Move to approve the minutes of the Budget Committee meeting on May 28, 2009*

26 **SECOND:** Mr. Falzone

27 **VOTE:** 8-0-0

28 **The motion carried unanimously.**

29
30 3. **JOINT DISCUSSION WITH BOARD OF SELECTMEN**

31 Selectman Byron introduced the other members of the Board of Selectmen in
32 attendance as well as Attorney LaFevre, the Health Officer and the Road Agent.

33 a) ***Highway Block Grants***

34 Mr. Lemire handed over to Selectman Byron to introduce the topic. Selectman
35 Byron reported there have been a series of questions regarding Highway Block
36 Grants and he had tried to come up with answers with respect to the situation to
37 date. He explained the Board of Selectmen needs to make a decision about these
38 and the Board had come to present the information they have to date to ensure
39 both the Budget Committee and the Board of Selectmen are on the same page. He
40 went on to explain the Board had wanted to know what they can do with Highway
41 Block Grants and had sought a legal opinion after talking to the DRA. He handed
42 over to Attorney LaFevre, stating that he would like to discuss management of the
43 funds and where they go from here after Attorney Lafevre's presentation.

44
45 Attorney LaFevre began by identifying the legal parameters for the funds as
46 follows:

- 1 • Highway Block Grants can only be used for highway construction,
2 reconstruction and maintenance
- 3 • The DRA has stated they can be used to pay debt service on a bond if the
4 bond is used for construction of a highway
- 5 • They are non lapsing and can be held over until the following year, and in
6 fact indefinitely
- 7 • The Board of Selectmen can expend the grants for any of the previously
8 mentioned purposes, except when voters at a Town Meeting have said no.

9 In response to Mr. Spencer's query as to whether an appropriation is still required,
10 Attorney LaFevre responded they are a source of anticipated revenue and there is
11 an appropriation in year one. He further explained they are no different than
12 special warrant articles. There followed a discussion for clarification in which it
13 was stated the money can be spent arbitrarily in future years and there was no
14 need to go back to Town Meeting. Attorney LaFevre then spoke about
15 Litchfield's practice of dealing with Highway Block Grants and putting them into
16 the Unreserved Fund Balance. Mr. Lemire then summarized his understanding of
17 what had been said so far and Attorney LaFevre clarified the DRA has said the
18 town can affirmatively decide not to spend the money and he quoted RSA 32:7
19 which states the grant money does not lapse after one year.

20
21 Mr. Peeples arrived at 7:47 p.m.

22
23 Mr. Lemire wanted to know if the grant money can be used for purposes related to
24 those previously outlined e.g. for a truck being used for highway construction or
25 maintenance and Attorney LaFevre stated the DRA is not auditing towns on this.

26
27 Selectman Byron reported the 2007 Town Audit Report is not yet finalized but
28 should be resolved in the near future. He also confirmed there is an estimated
29 balance of \$850,000 in the Unreserved Fund. In response to a query as to whether
30 the Town is underestimating revenues by the amount of the Highway Block Grant
31 each year, Selectman Byron explained if the money goes directly into the budget
32 it has to be put into specific line items. In response to a query from Mr. Lemire,
33 Selectman Byron clarified that the town finds out in October how much they will
34 receive in Highway Block funding and the amount is applied to the budget which
35 is approved in March of that year. In response to a query from Mr. Lambert
36 regarding Highway Block Grants and impact fees it was reported that the grant
37 money comes in as revenue. There followed a discussion on the impact on the
38 budget.

39
40 A discussion took place on the options available regarding how the grant monies
41 can be handled and whether they could be used to fund a CIP item on road
42 maintenance.

43
44 Mr. Harte asked what checks and balances would be there to ensure that the
45 money is only used for that purpose. There followed further discussion and

1 Selectman Byron provided an example of how the monies received in 2007 had
2 been dealt with.

3
4 Mr. Lemire asked for clarification of the cash balance in the town's accounts, and
5 there was a brief discussion on the effect of changing the town's budget calendar
6 to a fiscal year.

7
8 Selectman Byron confirmed the balance of Highway Block Grants at the end of
9 2008, stating the Board of Selectmen wanted to ensure that the Budget Committee
10 agreed with them about using this money. He asked that the Budget Committee
11 let the Board of Selectmen know if they have any opinions or ideas regarding this,
12 and Mr. Lemire suggested having another joint meeting in August.

13
14 A discussion took place in response to a query from Mr. Spencer regarding what
15 options the Board would propose, as well as discussion about overlay. Selectman
16 Byron reported the Board of Selectmen has not yet decided which option to go
17 with.

18
19 **b) 2009 Budget Calendar**

20 Mr. Lemire referred to the proposed budget calendar he had put together and
21 distributed prior to the meeting and asked Mr. Lambert and Mr. Guerrette to take
22 this to their respective Boards.

23 **Action: Messrs. Lambert/Guerrette**

24
25 He then asked for Budget Committee input. Mr. Harte stated he would like to
26 encourage the Board of Selectmen to have departmental heads get their budgets in
27 by September 4, 2009, and Mr. Lambert agreed with this date. Mr. Lemire
28 clarified that he had set the Selectman column on the schedule in accordance with
29 past schedules. Selectman Byron commented that the Board of Selectmen would
30 know what they are working with if the Budget Committee keeps its date's firm.
31 In response to a query from Mr. Spencer, Selectman Byron stated he thought
32 November 12 was feasible as far as the police union contract was concerned. Mr.
33 Harte initiated a discussion regarding a date for receipt of the school budget,
34 pointing out the Budget Committee usually receive this by November 19, but that
35 the Committee would appreciate it if it was possible to receive the school budget a
36 week earlier than usual.

37
38 Mr. Falzone clarified that the Committee preferred paper copies of the budget
39 sheets and that receiving sufficient backup material had been a problem last year.

40
41 Selectman Byron announced that there was an open invitation for anyone wishing
42 to meet the new Office Manager, Mrs. Linda Langille, on Monday. He stated he
43 would be discussing with her what information they can provide the Budget
44 Committee with from the current system.

1 Mr. Lemire stated he would send a copy of the schedule to Selectman Byron. He
2 then thanked the members of the Board and the department heads for attending
3 and they left the meeting at 8:45 p.m.

4 *Action: Mr. Lemire*

5
6 **4. TOWN BUSINESS**

7 In response to a query from Mr. Spencer regarding the police department section of
8 the town monthly report, there followed a discussion with Mr. Lambert regarding the
9 training line item and whether this would be better included under overtime.

10 *Action: Mr. Lambert*

11
12 **5. SCHOOL DISTRICT BUSINESS**

13 Mr. Guerrette read Mr. Martin's responses to the queries raised by the Committee at
14 the previous meeting, which are summarized as follows:

- 15 • The projected year end balance is expected to be over \$350,000
- 16 • There is no year end report as yet as the books are not yet closed.

17 Mr. Spencer asked whether the School Board had discussed how to spend the money
18 left over and Mr. Guerrette stated they had discussed hooking up the generator and
19 have encumbered \$25,000 as an estimate. He clarified that \$50,000 will be taken
20 from the year end balance and the figure of \$350,000 has taken account of this. Mr.
21 Guerrette also distributed four copies of the budget on CD. He stated he had
22 reviewed the new school budget to see whether everything in it is actually needed
23 and reported that the Administration review it. Mr. Lemire clarified that the
24 Committee needs to have answers by the time the new budget begins if they wish to
25 impact the next budget.

26
27 The time line for Budget Committee receipt of the School budget was clarified, and
28 Mr. Lemire stressed the earlier they can receive it the better.

29
30 Mr. Lemire confirmed he had not received a copy of the June 10th monthly report in
31 response to Mr. Guerrette's query and Mr. Guerrette provided a verbal summary of
32 the report. He pointed out that staff benefits will be over budgeted due to additional
33 staff taking up options.

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35 **6. APPROACHING THE 2010 BUDGET**

36 Mr. Spencer stated he would like to see a 'bare bones' budget and see separate
37 warrants for 'nice to haves' versus need which would give voters more options to
38 have a say on things. There followed a discussion on this and the Technology Plan
39 was given as an example. Mr. Spencer also stated he would like to see a separate
40 warrant for non bargaining staff increases for the town and school as well as
41 positions which are being expanded from part time to full time, with exception of
42 mandated positions. He also suggested doing the school budget on a school by
43 school basis. Mr. Spencer clarified for Mr. Guerrette how the Budget Committee has
44 approached the school budget in past years. It was the consensus of the Budget
45 Committee that Mr. Guerrette should take Mr. Spencer's request back to the School

1 Board. Mr. Spencer clarified the budget should be by function code sorted by
2 location.

3 *Action: Mr. Guerrette*
4

5 **7. MEMBER INPUT**

6 Mr. Lambert stated he had received a number of queries from residents asking why
7 those who send their children to private school have to pay for children to attend
8 Litchfield programs during the summer and Mr. Lemire suggested discussing this
9 with the School District separately.
10

11 Ms. Miller, a member of the public had joined the meeting and Mr. Lemire provided
12 opportunity for her input. Ms. Miller asked who does the budget presentation for the
13 School District and provided information based on her experience and involvement
14 with another town.
15

- 16 • **Upcoming meetings**
17 August 27, 2009
18

19 **MOTION:** by Mr. Harte

20 *Move to adjourn the meeting*

21 **SECOND:** Mr. Falzone

22 **VOTE:** 8-0-0

23 **The motion carried unanimously and the meeting adjourned at 9:36 p.m.**
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28 **Minutes by:** *Mrs. Sandra Maxwell (Recording Secretary)*

29 **Date approved:** *August 27, 2009*
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