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3 **Minutes of the**
4 **Litchfield Budget Committee**

5 **Held on August 27, 2009**

6
7 The Litchfield Budget Committee held a meeting on Thursday, August 27, 2009, at
8 Campbell High School, 1 Highlander Court, Litchfield, NH 03052.

9
10 **PRESENT:** B Lemire (Chairman), J Harte (Vice Chairman), M Falzone, B Spencer, R
11 Peeples, P Parker, G Lambert (Board of Selectmen Representative), J Guerrette (School
12 Board Representative) – arrived at 7:38

13
14 Chairman Lemire called the meeting to order at 7:32 p.m.

15
16 **1. PUBLIC INPUT**

17 There was no public input.

18
19 **2. APPROVAL OF MINUTES**

20 **MOTION:** by Mr. Harte

21 *Move to approve the minutes of the Budget Committee meeting on June 25, 2009*

22 **SECOND:** Mr. Spencer

23 ***Discussion:***

24 Mr. Parker suggested Ms. Miller's name be added before 'member of the public' on
25 page 5, line 11.

26 **MOTION:** by Mr. Parker

27 *Move to amend the minutes of the Budget Committee meeting on June 25, 2000 to*
28 *add Ms. Miller's name on page 5, line 11 before 'member of the public'*

29 **SECOND:** Mr. Harte

30 **VOTE:** 5-0-2 (Messrs. Peeples and Falzone abstained)

31 **The motion carried.**

32
33 **VOTE (on amended minutes:** 5-0-2 (Messrs. Peeples and Falzone abstained)

34 **The motion carried.**

35
36 **BACK TO PUBLIC INPUT**

37 The Committee re-opened item 1 again for public input to accommodate Mr. Chris
38 Pascucci who joined the meeting. He asked that the Committee take the time
39 necessary and seek out the proper people to specifically answer any issues the
40 Committee might have about the School budget. He stated this was the Committee's
41 duty and obligation to the tax payers and there will be a lot of people at the
42 Deliberative Session this year with lots of questions.

43
44 **3. DISCUSSION OF BUDGET SCHEDULE**

45 In response to a query from Chairman Lemire, Mr. Guerrette reported the School
46 Board would be unable to complete their budget in the time line previously requested

1 by the Committee, stating they would be ready by November 25th and he agreed to
2 forward the schedule to Chairman Lemire.

3 ***Action: Mr. Guerrette***

4
5 In response to Mr. Spencer's enquiry as to whether the library will be able to meet
6 the Budget Committee's review schedule, Mr. Lambert responded the Board of
7 Selectmen will be holding special meetings to bring their budget in on time.

8
9 Mr. Spencer pointed out the Committee had not yet discussed how they will
10 approach the school budget. He suggested they follow a schedule similar to that of
11 the town budget if they decided to discuss it entity by entity. Mr. Harte agreed
12 having a schedule would be a good idea no matter what their approach is. There
13 followed a discussion in which Chairman Lemire suggested looking at the approach
14 again in a couple of meetings and determine what that schedule might be. Mr.
15 Spencer suggested reviewing the school budget by location code stating they could
16 take their votes school by school and there followed a discussion on the advantages
17 and disadvantages of doing things this way. Chairman Lemire suggested they
18 discuss the matter further later in the meeting.

19
20 In response to a query regarding the availability of the town budget from Mr. Harte,
21 Mr. Lambert stated the Board of Selectmen will make the sheets available for
22 September 2nd. He then talked about the intention of the Board of Selectmen to
23 appoint a cost cutting committee comprised of tax payers in the town to review the
24 town budget and make suggestions to the Board on cost cutting strategies. There
25 was a discussion on how this might work with members of the Committee stressing
26 this should not impact the Budget Committee's schedule in any way.

27
28 There followed a discussion regarding whether it would be useful to obtain the
29 budgets prior to approval by the Board of Selectmen. Mr. Spencer asked about
30 collecting the hard copies of the town budget for the Committee and it was agreed
31 everyone would collect their own copy from Town Hall. Mr. Lambert talked about
32 being able to get the budget sheets onto the web site prior to the Board of Selectmen
33 voting on the budgets, and there was a discussion on the advantages and
34 disadvantages of this. Mr. Peebles suggested time should be taken to advertise the
35 budget schedule at the higher level so that residents were made aware of the process
36 and timeframes. Mr. Spencer agreed Mr. Lambert's suggestion of making the budget
37 information available for the public was a good idea as previously no-one outside of
38 the Board of Selectmen and Budget Committee has been aware of the budget detail.

39
40 **4. TOWN BUSINESS**

41 Chairman Lemire reviewed the Budget Committee's own budget for 2010, pointing
42 out that it was level funded. He explained he had moved some items around to
43 accommodate item 344 which he had increased.

44

1 In response to a query about Seminars from Mr. Spencer, Messrs. Lemire and Harte
2 provided clarification that these were seminars held by the LGC, stating the
3 timetable for these for 2010 has not yet been established.

4
5 Referring to the town expenditure report Mr. Harte stated he thought that it had been
6 decided last year that copier charges were to be centralized and Chairman Lemire
7 stated he also wished to query this. In response, Mr. Lambert stated the line item is
8 now for external printing. There was a discussion regarding moving or zeroing the
9 amount in this line.

10
11 **MOTION:** by Mr. Harte

12 ***Move to zero the amount for copier charges in line item 4150.90-680 in the 2010***
13 ***Budget Committee budget***

14 **SECOND:** Mr. Spencer

15 It was confirmed the new bottom line was \$1,850.

16 Mr. Falzone stated he would like to attend a seminar and was willing to pay for it
17 himself. Chairman Lemire announced there would be a seminar on September 22nd
18 at C.R. Sparks in Bedford.

19
20 **VOTE:** 7-0-1 (Mr. Lambert abstained)

21
22 **MOTION:** by Mr. Falzone

23 ***Move to accept a bottom line of \$1,850 for the 2010 Budget Committee budget and***
24 ***move to the Board of Selectmen for approval***

25 **SECOND:** Mr. Harte

26 **VOTE:** 7-0-1 (Mr. Lambert abstained)

27
28 In response to a request from Mr. Spencer to update the Committee on the road
29 budget and impact fees, Mr. Lambert stated the Board is looking at impact fees and
30 finding ways to use these to complete outstanding projects. He reported the town has
31 accepted a federal grant to maintain the bike path, and they will purchase a piece of
32 equipment which will be used to maintain and repair the bike path. He also reported
33 there are seven miles of new road which need to be plowed and the town does not
34 currently have sufficient plowing capacity. He stated there is a plan from the
35 highway department to add a truck for \$120,000 and they are currently obtaining
36 bids. In response to a query from Chairman Lemire regarding why they are not
37 contracting out the work as they do with the other routes and who will drive the
38 truck, Mr. Lambert reported the highway department has stated this option will be
39 cheaper and he provided more detail. Chairman Lemire requested that Mr. Lambert
40 obtain answers to his questions for the next meeting.

41 ***Action: Mr. Lambert***

42
43 There was a discussion regarding the use of impact fees. Mr. Spencer asked whether
44 the previous road agent has informed the state of the increased mileage on town
45 roads. Mr. Harte expressed his surprise that the Board is doing this in a year of

1 economic constraint. Mr. Lambert explained if they do not use the impact fees, they
2 will go away and the town will not have the opportunity to benefit from them.

3
4 Mr. Falzone provided an update on the amount the town had accrued in impact fees
5 and the current balance, and Chairman Lemire explained impact fees expire after five
6 years and the money goes back to the developer who paid them.

7
8 There was a discussion about the CIP and Mr. Peeples explained the purpose and
9 process for this. In response to a query from Chairman Lemire, Mr. Lambert
10 reported the town has received a grant for a police car. There was a discussion about
11 whether this can be an additional car or whether they need to reduce the fleet by one.

12
13 Mr. Harte requested that Mr. Lambert find out whether the town Administrative
14 Assistant is on her own plan for health care benefits.

15 ***Action: Mr. Lambert***

16
17 In response to a query about the prosecutor, Mr. Lambert stated they are unsure at
18 present whether they will hire one this year.

19
20 In response to a query regarding whether there are any plans to do culvert
21 replacements this year, there was a discussion with Mr. Lambert. Mr. Lambert
22 reported the Road Agent is getting ready to award the bid for the Winter Circle
23 drainage project.

24
25 Mr. Harte stated he would have expected to see more spending in Vendor Payments,
26 and Mr. Lambert stated they are expecting more, and he was unsure whether they
27 have been billed to the line at this point. Mr. Harte requested that Mr. Lambert take
28 the matter of offsetting any amount unspent in Vendor Payments by leaving it in that
29 account for next year to the Board of Selectmen as the Board has taken no position
30 that they will give it back to the tax payers. There followed a discussion on the
31 welfare line items. Chairman Lemire stated it was up to the Board of Selectmen to
32 manage their budget. He then asked Mr. Lambert to pass the feeling of the Budget
33 Committee to the Board.

34 ***Action: Mr. Lambert***

35
36 In response to a query from Mr. Guerrette, Chairman Lemire explained the statutes
37 with regard to the Budget Committee's fiduciary duty. Mr. Guerrette spoke about
38 the public perception of who is in charge of the budget and asked whether the Budget
39 Committee has a method of controlling spending. There followed a discussion
40 which clarified the Budget Committee's role.

41
42 Following a discussion regarding whether the Committee wished to review the town
43 budgets which had been made available for this evening at this point, it was the
44 consensus of the Committee that they should keep to the schedule as presented by
45 the Board of Selectmen.

46

1 In response to a query from Mr. Falzone, it was confirmed that copies of the MS4 are
2 usually sent out at the beginning of October but on occasion the DRA plug in the
3 revenue share figures before distributing them. It was explained how the MS1 is
4 used in the process.

5
6 There was a discussion about the shortfall amounts in revenues within the town and
7 the reduction in revenue sharing from the state, and Mr. Falzone provided figures
8 from the last Board of Selectmen meeting for the benefit of the Committee. There
9 followed a discussion on how all of this will affect the town.

10
11 Mr. Lambert reported there is an issue with the date for setting the tax rate as the
12 town does not currently have audited accounts due to the problems arising from the
13 case against the former Treasurer. He explained this could affect the town's cash
14 flow as it will prevent them from sending out the tax bills. He further reported the
15 Board of Selectmen is currently bringing in contract auditing assistance to resolve
16 the matter as quickly as possible. Chairman Lemire stated he would forward a copy
17 of Mr. Lambert's e-mail on this to all the members.

18 ***Action: Chairman Lemire***

19
20 Mr. Lambert reported the Board of Selectmen is chasing the town's insurance
21 company for losses due to the lawsuit against the former Treasurer and provided an
22 update on this.

23
24 **5. SCHOOL DISTRICT BUSINESS**

25 Mr. Guerrette provided a status report on the budget preparation for the school
26 district. He stated that Dr. Cutler had sent an invitation to the Budget Committee to
27 participate in the School Board budgeting meetings.

28
29 There was a discussion about the shortfall from the state in the NHRS over the next
30 few years and the impact on the school district. Mr. Harte asked Mr. Guerrette to
31 obtain clarification from Mr. Martin what the figures are for the shortfall in the
32 NHRS and e-mail the information to Chairman Lemire.

33 ***Action: Mr. Guerrette***

34
35 In response to a query from Mr. Spencer about the 2009 year end school budget
36 figures, Chairman Lemire stated the figures are un-audited and they will get these
37 figures when the books have been closed. There was a discussion about Mr.
38 Martin's July report. Mr. Spencer stated he would check to see whether he received
39 this and Chairman Lemire stated he would send it to him if needed.

40
41 There followed a discussion between Messrs. Spencer and Guerrette in which they
42 talked about the balances in the various accounts and Mr. Guerrette confirmed
43 \$50,000 had been set aside for the SPED special reserve fund and he did not think
44 there were any major encumbrances for this year. Mr. Spencer confirmed the Budget
45 Committee would receive the fund balance figures.

46

1 Mr. Guerrette referred to the Board of Selectmen's denial regarding the School
2 District's request to use impact fees to build additional storage, and he spoke about
3 the possible use of impact fees to pay down the bond. Mr. Lambert explained why
4 the Board of Selectmen had denied the use of school impact fees for the additional
5 storage. There was further discussion on the use of federal funds.

6
7 In response to a query from Mr. Harte regarding under spending in the vocational
8 education program as reported by Mr. Martin, Mr. Spencer clarified that the figures
9 were \$16,000 for tuition and \$39,000 for transportation, as reported in the School
10 Board minutes.

11
12 **6. APPROACHING THE 2010 BUDGET DELIBERATIONS (CONTINUING**
13 **DISCUSSION**

14 It was the consensus of the Committee they should discuss this at the next meeting.

15
16 **7. MEMBER INPUT**

17 In response to a query from Mr. Parker regarding new expenditures based on the fire
18 inspection report for GMS, Mr. Guerrette reported the list of improvements was
19 completed this year prior to commencement of the new school year.

20
21 The Committee agreed they would like seven copies of the town budget sheets as
22 well as an electronic version. In addition the members requested an electronic
23 version of the weekly run of expenses be sent to Chairman Lemire and he would
24 forward to the members.

25 ***Action: Chairman Lemire***

26
27 **MOTION:** by Mr. Falzone

28 ***Move to adjourn***

29 **SECOND:** Mr. Harte

30 **VOTE:** 8-0-0

31 **The motion carried unanimously.**

32
33 There being no further business the meeting adjourned at 9:30 p.m.

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37
38
39 **Minutes by:** ***Sandra Maxwell, Recording Secretary***

40 **Date approved:** ***September 24, 2009***