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Minutes of
Litchfield Budget Committee Meeting
Held on January 7, 2010

The Litchfield Budget Committee held a meeting on Thursday, January 7, 2010, at Campbell High School, 1 Highlander Court, Litchfield, NH 03052.

PRESENT: B Lemire (Chair), J Harte (Vice Chair), 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 7:09 p.m.

1. PUBLIC INPUT

There was no public input.

2. APPROVAL OF MINUTES

The December 17, 2009 minutes were deferred to the next meeting.

3. TOWN BUDGET

a) *Voting on bottom line number*

Mr. Lemire indicated that some adjustments to the Town operating budget were necessary.

MOTION: by Mr. Lambert

Move to reopen the Police budget.

SECOND: Mr. Spencer

Mr. Lemire noted that the Police budget is being reopened to vote on the life insurance line item.

VOTE: 8-0-0

The motion passed.

MOTION: by Mr. Spencer

Move to increase line item 4210.20-215 from \$39 to \$462.

SECOND: Mr. Falzone

Discussion:

Mr. Guerrette queried how the line item was funded prior to the increase. Chief O’Brion indicated that after negotiations, the line item was insured for \$5000, but should have been raised to \$25,000. Mr. Lemire indicated that the insurance is a negotiated item and is included in the police department contract.

VOTE: 8-0-0

The motion passed.

1 **MOTION:** by Mr. Spencer
2 *Move to increase line item 4210.30-215 from \$1215 to \$2310.*

3 **SECOND:** Mr. Falzone

4 **VOTE:** 8-0-0

5 **The motion passed.**

6 **MOTION:** by Mr. Spencer

7 *Move to increase line item 4210.50-215 from \$39 to \$462.*

8 **SECOND:** Mr. Falzone

9 **VOTE:** 8-0-0

10 **The motion passed.**

11

12 **MOTION:** by Mr. Lambert

13 *Move to approve the 2010 Police Department budget total as \$1,153,223.*

14 **SECOND:** Mr. Falzone

15 **VOTE:** 8-0-0

16 **The motion passed.**

17

18 **MOTION:** by Mr. Lambert

19 *Move to approve the 2010 Town of Litchfield Operating budget bottom line as*
20 *\$4,387,436.*

21 **SECOND:** Mr. Falzone

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

23 **The motion passed.**

24

25 Mr. Spencer queried the default budget total. Mr. Harte indicated that the 2010
26 Town Default budget would total \$4,389,478.

27

28 Mr. Lambert queried why the default total was higher than the operating budget
29 total. Mr. Byron indicated that the Board of Selectmen default total is different
30 from the Budget Committee default total.

31

32 **MOTION:** by Mr. Lambert

33 *Move to reopen the 2010 Town of Litchfield Operating budget.*

34 **SECOND:** None

35 **The motion failed for lack of a second.**

36

37 Mr. Lemire indicated that the Budget Committee can reconsider budget total
38 concerns at the January 15, 2010 Budget Hearings.

39

40 **b) Discussion and Voting on Warrant Articles**

41 Mr. Lambert presented warrant articles for the Town of Litchfield to the Budget
42 Committee.

43 **Article X**

44 *To see if the town will raise and appropriate as an operating budget, not*
45 *including appropriation by special warrant articles and other appropriations*
46 *voted separately, the amounts set forth on the budget posted with the warrant or*

1 *as amended by vote of the first session, for the purposes set forth therein, totaling*
2 *\$4,387,436. Should this article be defeated, the default budget shall be*
3 *\$4,389,478, which is the same as last year, with certain adjustments required by*
4 *previous action of the town of Litchfield or by Law; or the governing body may*
5 *hold one special meeting, in accordance with RSA 40:13, X and SVI, to take up*
6 *the issue of a revised operating budget only.*

7 **MOTION:** by Mr. Lambert

8 ***Move to recommend the article as presented.***

9 **SECOND:** Mr. Peeples

10

11

12 ***Discussion:***

13 Mr. Harte noted that the additional appropriation of \$319,000 will result in a tax
14 increase.

15 Mr. Guerrette queried what the new tax rate will be. Mr. Harte indicated that the
16 new tax rate would go from \$2.24 to \$2.44. Mr. Lemire indicated that the
17 incinerator accounts for a large part of the increase due to its closure by the end of
18 the year.

19

20 **VOTE:** 7-1-0, with Mr. Guerrette opposing.

21 **The motion passed.**

22

23 **Article X**

24 *To see if the town will vote to raise and appropriate the sum of \$58,100 to hire a*
25 *Town Administrator effective July 5, 2010. The cost of the period for July 5, 2010*
26 *until December 31, 2010 will be \$58,100 of which \$42,500 represents salary and*
27 *\$15,600 represents benefits. The annual cost of this position will be \$116,200 of*
28 *which \$85,000 represents salary and \$31,200 represents benefits. This position*
29 *shall have an annual salary not to exceed \$85,000 per year. This article was*
30 *recommended by the Board of Selectmen with a vote of 5-0-0.*

31 **MOTION:** by Mr. Lambert

32 ***Move to recommend the article as presented.***

33 **SECOND:** Mr. Falzone

34 ***Discussion:***

35 Mr. Lambert explained that the position will provide day to day management of
36 the town's government as delegated by the Board of Selectmen. The position
37 differs from the Board of Selectmen Office Manager in that it encompasses
38 responsibilities for department operations beyond the financial accounting and
39 organization of the Selectmen's office.

40

41 Mr. Guerrette was concerned with the salary in relation to the duties of the
42 position. He commented that we could be paying a town administrator a salary
43 for duties that another employee is currently being paid to perform.

44

1 Mr. Lambert responded that the town administrator will be responsible for all
2 department operations and have different responsibilities than those of the office
3 manager.

4
5 Mr. Guerrette commented that the RSA states the town manager has delineated
6 responsibilities whereas this position will have assigned responsibilities. He was
7 concerned that we may be paying a high salary to someone who cannot handle the
8 responsibilities.

9
10 Mr. Lemire indicated that the salary presented is more in line with a town
11 administrator than a town manager.

12
13 Mr. Lambert commented that a town administrator will help keep the Board of
14 Selectmen in control. He noted that the town has needed the position for some
15 time as the Board of Selectmen Chair volunteers to handle and address day to day
16 operations of the town while working a full time job.

17
18 Mr. Spencer queried about how hiring a town administrator will change
19 department operations. Mr. Byron explained that on a daily basis he is in constant
20 communication with the Police Chief, the Fire Chief, department heads, and the
21 office manager. This is done in order to be aware of the activities that occur on a
22 daily basis. This is all done while working a full time job. Mr. Byron indicated
23 that a town administrator is able to be available at all times, making decisions
24 when an incident occurs, abreast of all department activities, and ensuring all
25 activities occur in a timely fashion.

26
27 Mr. Guerrette wanted to know why department heads cannot be empowered to
28 make the decisions they need to make. Mr. Byron indicated that there are
29 situations that occur that cut across town lines and a consistency of decision
30 making is necessary. Mr. Byron cited a list of issues that occurred from October
31 20 –November 9, 2009 as examples of daily activities that he must address and
32 discuss with the Board of Selectmen for decisions.

33
34 Mr. Peeples felt that it is counterproductive to hire a town administrator because
35 the Board of Selectmen will ultimately make the decisions. Mr. Lambert
36 indicated that the Board of Selectmen will set the direction for the town
37 administrator to administer town operations.

38
39 Mr. Harte supported the hiring of a town administrator because it will allow the
40 Board of Selectmen to make the tougher decisions vs. the mundane decisions. He
41 noted that a town administrator can make a huge difference in Litchfield and there
42 is no downside to having someone at the helm on a daily basis.

43
44 Mr. Falzone supported the article and agrees that the town needs someone to
45 make decisions on a daily basis.

1 Mr. Spencer queried how a town administrator position would impact the existing
2 office manager position. Mr. Byron indicated that the office manager handles the
3 daily finances and running of the office. He noted that her job and job
4 responsibilities will not change. Mr. Lambert indicated that department heads
5 manage their own departments well. The office manager manages the
6 Selectmen's office well. However, someone is needed to manage the day to day
7 operations and make sure the town is going in the right direction.

8
9 **VOTE:** 5-3-0, with Mr. Guerrette, Mr. Spencer, and Mr. Peeples opposing.
10 **The motion passed.**

11
12 Mr. Spencer qualified his vote by commenting that he was reluctant to add a
13 financial burden onto the taxpayers. Mr. Peeples concurred.

14
15 **Article X**

16 *To see if the town will vote to raise and appropriate the sum of \$5000 as a stipend*
17 *to hire one Welfare Administrator who shall have the responsibility under the*
18 *supervision of the Board of Selectmen for the administration of the town's welfare*
19 *program as specified under RSA 165:1. This article was recommended by the*
20 *Board of Selectmen with a vote of 3-1-1.*

21 **MOTION:** by Mr. Lambert

22 ***Move to recommend the article as presented.***

23 **SECOND:** Mr. Harte

24 ***Discussion:***

25 Mr. Lambert explained that the position will be responsible for the administration
26 of the town's welfare program currently administered by the Board of Selectmen.
27 This position will be responsible for managing the welfare budget, accepting
28 welfare applications, reviewing the applications for eligibility.

29
30 Mr. Steve Perry asked Budget Committee members to support the article. He
31 commented that as the current welfare officer, there is much work that comes with
32 the position. He noted that it is difficult to keep up with the responsibilities and
33 work a full time job. Mr. Perry explained that response time is problematic as it
34 creates conflicts when trying to contact applicants. He noted that there is a
35 timeframe in which response and approval must be provided, which much of the
36 time is done with great difficulty.

37
38 Mr. Lemire queried if the position is expected to be filled immediately upon the
39 passage of the article. Mr. Byron indicated that there has indeed been interest in
40 the position.

41
42 Mr. Peeples queried the rationale for the position. Mr. Perry indicated that the
43 stipend would be best used to pay someone already certified in welfare
44 administration who has a similar position in another town or towns.

45
46 Mr. Peeples suggested including the stipend in the budget as contracted services.

1
2 **VOTE:** 6-2-0, with Mr. Guerrette and Mr. Peeples opposing.
3 **The motion passed.**

4
5 **Article X**

6 *To see if the Town will vote to raise and appropriate the amount of \$1395 for the*
7 *formation and initial budget of an Ethics Committee and to rescind the existing*
8 *Conflict of Interest Law, and adopt in lieu thereof a new Code of Ethics as written*
9 *by the Litchfield Code of Ethics Formation Committee. Copies of the proposed*
10 *Code of Ethics may be obtained at the Town Clerks Office, and at the Aaron*
11 *Cutler Library. This article was not recommended by the Board of Selectmen.*

12 **MOTION:** by Mr. Lambert

13 ***Move to recommend the article as presented.***

14 **SECOND:** Mr. Harte

15 ***Discussion:***

16 Mr. Lambert explained that the warrant will establish an Ethics Committee whose
17 charter is to impartially investigate citizen complaints of potential ethical conflict
18 by town officials, volunteers, and committee members and to bring their findings
19 to the Board of Selectmen for resolution. The article will also allow the town to
20 adopt a new Code of Ethics. Mr. Lambert indicated that although everyone
21 involved in the process of creating a new Code of Ethics was well-intentioned, the
22 Selectmen could not come to a consensus that it was the right plan for the town.

23
24 Budget Committee members discussed the ethics policy at length. Committee
25 members expressed concerns about conflict of interest and recusal.

26
27 Mrs. Raccio indicated that the Code of Ethics is simple stating that the committee
28 members work for the town and have to make a decision on an issue. If any
29 member has a conflict of interest, they can recuse themselves from the discussion.

30
31 Mr. Lemire was concerned with the article wording, specifically that the article
32 asks for funding for the formation of an ethics committee and the adoption of a
33 new ethics policy. He suggested that it would be advisable for the Board of
34 Selectmen to present as two separate articles; one for the fiscal matter and one for
35 policy.

36
37 Budget Committee members agreed the article should be separated. Mr. Lemire
38 suggested the issue be tabled to allow the Board of Selectmen to prepare and
39 present two separate articles.

40 Mr. Lambert rescinded his motion to recommend the article. Mr. Harte rescinded
41 his second.

42
43 **MOTION:** by Mr. Guerrette

44 ***Move to table discussion and voting on the article as presented.***

45 **SECOND:** Mr. Lambert

46 **VOTE:** 8-0-0

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Article X

To see if the town will vote to raise and appropriate the sum of \$24,871.06 to hire one full time police officer effective July 11, 2010. The cost for the period of July 11, 2010 through December 31, 2010 is \$24,871.06, of which 417,386 is for salary and \$7,485.06 is for benefits and equipment. The annual cost of said officer will be \$49,633.51, of which \$37,663.39 will be for salary and \$11,970.12 will be for benefits and equipment.

This article was recommended by the Board of Selectmen with a vote of 5-0-0.

MOTION: by Mr. Lambert
Move to recommend the article as presented.

SECOND: Mr. Spencer

Discussion:

Mr. Lambert deferred explanation of the article to Chief Joseph O’Brion. Chief O’Brion explained that the hiring of a full time police officer will provide for additional coverage ensuring that there are always two officers on duty at all times. Currently, Litchfield has only one officer on duty approximately 35% of the time. The additional officer concurs with the 2008 MRI report that recommended an additional two officers be added. The additional officer will provide for increased citizen and officer safety.

Mr. Spencer commented that he believes there is no doubt additional coverage is necessary. He queried about the accuracy of the percentage of time the current police officer is on duty. Chief O’Brion indicated that it was based on results of the MRI report.

Mr. Spencer indicated that, in his estimation, the percentage presented in the warrant article is not accurate and the information should not be included in the warrant article. He commented that he was very concerned about adding additional staff to the budget while faced with the future economic situation.

Mr. Lemire queried about coverage by special officers and rescheduling current staff to cover the shortfall. Chief O’Brion indicated that special officers are limited in the hours they can work by Police Standards & Training. Currently, special officers cover weekends. Chief O’Brion also noted that in order to cover three shifts, five days per week, it would require nine police officers. Currently there are less.

VOTE: 6-2-0, with Mr. Guerrette and Mr. Spencer opposing.
The motion passed.

Article X

To see if the town will vote to raise and appropriate the amount of \$50,000 for the purchase of a 1998 Freightliner FL70 Medium Duty Rescue Truck through the Town of Londonderry. This appropriation shall be non-lapsing per RSA 32:7, VI,

1 *and will not lapse until the vehicle has been purchased or December 31, 2011.*
2 *This article was recommended by the Board of Selectmen with a vote of 4-1-0.*

3 **MOTION:** by Mr. Lambert

4 ***Move to recommend the article as presented.***

5 **SECOND:** Mr. Harte

6 ***Discussion:***

7 Mr. Harte was concerned where the truck would be stored if it is purchased.

8
9 Chief Tom Schofield indicated that a bump out can be added to the existing fire
10 station by using \$8,000 in impact fees. The bump out will be large enough to
11 accommodate the truck. Chief Schofield explained that the addition will not
12 require any additional utility services and will defer the purchase of a
13 replacement, full sized fire truck for approximately 3 to 5 years providing
14 anticipated savings of approximately \$180,000 to \$300,000 over that time period
15 in purchase payments. Purchase of the rescue truck will also save wear and tear
16 on existing full size fire vehicles responding to incidents. Chief Schofield added
17 that Londonderry is building a new fire station this year and is voting on the
18 purchase of a new truck in March. If the vote fails, they will not be selling the
19 truck.

20
21 Mr. Spencer queried the price of a new rescue vehicle. Chief Schofield indicated
22 that a brand new rescue vehicle would cost \$230,000.

23
24 Mr. Lemire queried if the Chief requested approval for the use of impact fees for
25 the bump out from the Board of Selectmen. Chief Schofield indicated that he had
26 not yet requested the use of impact fees from the Board of Selectmen, but was
27 confident that the construction fits the criteria of the use of impact fees.

28
29 Mr. Harte queried the average miles of use on the existing fire vehicles. Chief
30 Schofield responded with the following information:

- 31 • The fleet is 12.5 years old
- 32 • The trucks have an average of 151,000 miles on them (collectively)
- 33 • The oldest truck has 250,000 miles
- 34 • Engine 1 has 72,280 miles
- 35 • Engine 2 has 249,418 miles
- 36 • Engine 4 has 161,180 miles
- 37 • The tanker has 94,109 miles

38
39 Mr. Harte queried about the fire department's ability to maintain the same level of
40 service if the warrant article fails in March. Chief Schofield indicated that if the
41 article fails, the level of service will remain the same. However, if the article
42 passes, the fire department will be able to provide a better level of service and
43 same the town money as well.

44
45 **VOTE:** 8-0-0

46 **The motion passed.**

1 size or towns that are larger as the qualification requirements for officers are
2 exactly the same.

3
4 Mr. Spencer commented that it was favorable that the contract does not include
5 retroactive increases and the evergreen clause language. However, he was
6 disappointed that an additional holiday was included and that there was no change
7 in the health care.

8
9 Budget Committee members discussed salary placement with Chief O’Brion and
10 Officer Savage. They were concerned about the full fiscal impact at the end of
11 the year, as well as adding the cost to the 2011 budget.

12 Officer Savage indicated that entry level salaries in Hudson are 21% higher than
13 Litchfield; 19% higher in Londonderry; and 34% higher in Merrimack. He added
14 that he likes the Litchfield community and know all the roads and trails. Officer
15 Savage noted that if he were to leave, the town would have to fill the position
16 with a “green” officer that does not know the town or the residents.

17
18 Mr. Byron indicated that the longer the town does not take action, the larger the
19 disparity in salaries. Mr. Peeples agreed that action is necessary.

20
21 **VOTE:** 6-2-0, with Mr. Guerrette and Mr. Spencer opposing.

22 **The motion passed.**

23
24 With regard to the remaining two warrant articles, Mr. Lemire indicated that the
25 Budget Committee would have no position on these articles as they contain no
26 appropriations.

27
28 **4. SCHOOL DISTRICT BUDGET**

29 **a) *Discussion and voting on Warrant Articles***

30 Mr. Guerrette announced that the FY11 School District default budget decreased
31 \$50,000. Mr. Guerrette presented FY11 Warrant Articles to the Budget
32 Committee.

33
34 **Article 1**

35 *Shall the Litchfield School District vote to raise and appropriate as an operating*
36 *budget, not including appropriations by special warrant articles and other*
37 *appropriations voted separately, the amounts set forth on the budget posted with*
38 *the warrant or as amended by the vote at the first session of the annual school*
39 *district meeting, for the purposes set forth herein, totaling \$20,531,871? Should*
40 *the article be defeated, the default budget shall be \$20,864,211, which is the same*
41 *as last year, with certain adjustments required by previous action of the Litchfield*
42 *School District or by law; or the School board may hold one special meeting, in*
43 *accordance with RSA 40:13 X and XVI, to take up the issue of a revised operating*
44 *budget only.*

1 **MOTION:** by Mr. Guerrette
2 *Move to recommend Article 1 with an operating budget of \$20,531,871 and a*
3 *default budget of \$20,864,211 for the 2010-2011 school year.*

4 **SECOND:** Mr. Falzone

5 **VOTE:** 8-0-0

6 **The motion passed by unanimous vote.**

7 **Discussion:**

8 Mr. Guerrette indicated that Article 2, relative to approval of the collective
9 bargaining agreement reached between the Litchfield School District and the
10 Litchfield Education Association, is not completed. The LEA and the District
11 were at impasse and are now in mediation. The warrant article will be completed
12 upon the School Board's approval of ratification of the LEA contract mediation.

13
14 **Article 3**

15 *Shall the Litchfield School District vote to raise and appropriate up to \$50,000 to*
16 *the Capital Reserve Fund for educating educationally disabled children*
17 *established in 2004 and authorize the use of that amount from the June 30*
18 *unreserved fund balance (surplus) available for transfer on July 1 of this year?*

19 **MOTION:** by Mr. Guerrette

20 **Move to recommend Article 3.**

21 **SECOND:** Mr. Falzone

22 **Discussion:**

23 Mr. Spencer commented that if the article passes, it would result in a tax increase
24 because it is an appropriation. He was not in support of the article. Mr. Lambert
25 was not in support of the article.

26 **VOTE:** 1-7-0

27 **The motion failed.**

28

29 **5. DISCUSSION ON PUBLIC HEARING PRESENTATION**

30 Mr. Lemire commended Mr. Harte for his work on the budget hearing presentation.
31 He asked Committee members if they were agreeable that Mr. Harte, Mr. Spencer,
32 and Mr. Lemire would continue to work on the presentation. Budget Committee
33 members were in agreement.

34

35 Mr. Lambert requested that information relative to the incinerator requirement be
36 included in the presentation, as well as information regarding increases and/or
37 decreases to the budget.

38

39 Mr. Spencer commented that the separate warrant articles that were recommended by
40 the Budget Committee would add \$0.14 to the tax rate.

41

42 **6. MEMBER INPUT**

43 Mr. Guerrette queried why there is an even number of members on the Budget
44 Committee. Mr. Lemire indicated that the RSA specifies the number of members for
45 a budget committee and the committee was set up with eight members under state
46 law.

1 Mr. Guerrette believes that an even number of members creates less opportunity to
2 settle an issue. Mr. Lemire commented that it is the Committee's decision to change
3 its membership.

4
5 Mr. Guerrette asked for the Budget Committee's consensus on ownership of the
6 default budget.

7
8 Mr. Lambert commented that the Board of Selectmen had a similar discussion, but
9 felt the default was their responsibility and were not in favor of the Budget
10 Committee setting the default. Mr. Lambert commented that, in his opinion, the
11 default is subject to manipulation by the agencies that handle it and that it can be
12 artificially inflated.

13
14 Mr. Spencer commented that if the default budget becomes the responsibility of the
15 Budget Committee, he would comply. He noted that while there is a need for checks
16 and balances, he would not make the proposal.

17
18 Mr. Harte commended the Board of Selectmen for their passion in trying to present a
19 default budget that is lower than the operating budget. However, he seemed to be in
20 disagreement over the intent of the default.

21
22 Budget Committee members briefly discussed their views on the intent of the default
23 budget. Mr. Lemire indicated that it would become the Budget Committee's
24 responsibility if it was presented as a warrant article and the article passed.

25
26 Mr. Lemire expressed his gratitude to the people of Litchfield for his election to
27 various positions over the past 32 years. He expressed his gratitude to the members
28 of the Budget Committee as well. Mr. Lemire announced that he will not run for re-
29 election. He expressed his appreciation for the Budget Committee's support,
30 thanked them for the opportunity to serve, and wished everyone a Happy New Year.

31
32 • **Upcoming meetings**

33 Budget Hearing – January 15, 2010

34
35 **MOTION:** by Mr. Falzone

36 *Move to adjourn the meeting at 10:35 p.m.*

37 **SECOND:** Mr. Guerrette

38 **VOTE:** 7-0-0

39 **The motion carried unanimously and the meeting adjourned at 10:35p.m.**

40
41
42 **Minutes by:** *Mrs. Michele E. Flynn (Recording Secretary)*

43 **Date Approved:** *January 14, 2010*

44