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

5 **Held on January 15, 2010**

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7 The Litchfield Budget Committee held a Public Hearing on Thursday, January 15, 2010,
8 at Campbell High School, 1 Highlander Court, Litchfield, NH 03052.

9
10 **PRESENT:** Mr. Lemire (Chairman), J Harte (Vice Chairman), B Spencer, R Peoples, M
11 Falzone, P Parker, G Lambert (Board of Selectmen Representative), J Guerrette (School
12 Board Representative)

13
14 Mr. Lemire called the meeting to order at 8:18 p.m. following the Public Hearing.

15
16 Mr. Spencer provided Mr. Lemire with an update on the discussions and actions from the
17 Budget Committee meeting on Thursday, January 14 which Mr. Lemire had been unable
18 to attend. Mr. Spencer explained it was the Committee's recommendation to add a
19 comment to the warrant article for the Ethics Committee. Mr. Lambert confirmed he had
20 spoken to the Board of Selectmen regarding this, stating the Board had consented to vote
21 on this at their meeting scheduled for Monday January 18th.

22
23 **School District Warrant Article 3 - \$50,000 for Special Education**

24 Mr. Spencer reported he had floated two ideas last night regarding this article as follows:

- 25 **1.** The Budget Committee could zero out this warrant article. Mr. Spencer asked the
26 members for their input on this. Mr. Harte reiterated his comments from the meeting
27 on the 14th that he did not view such action as being within the purview of the
28 Budget Committee and he suggested they leave the article as it stands. Mr. Lemire
29 agreed with Mr. Harte, as did the rest of the members.
- 30 **2.** The alternative suggestion was to add an explanation from the Budget Committee
31 which would clarify the Fund Balance at June 30, 2010 will be \$200,000 and if the
32 article is approved \$50,000 must be added which will no longer be available to
33 reduce the tax rate. Mr. Spencer suggested this would clarify that the \$50,000 is an
34 appropriation and stated the Committee could make this point from the stage at the
35 deliberative session. He talked about the fact the article appears to indicate/imply by
36 use of the words "up to" that it may be an amount less than \$50,000 and it would be
37 discretionary. There followed a discussion on this.

38
39 **MOTION:** by Mr. Spencer

40 *Move that the Budget Committee offer the following amendment at the Deliberative*
41 *Session to the School District Warrant Article 3 "It is forecasted that the June 30*
42 *Unreserved Fund Balance will be \$200,000. If this article is approved, \$50,000 must*
43 *be added to the existing \$100,000 Capital Reserve Fund. Because the \$50,000 will no*
44 *longer be available to reduce the tax rate, that shortfall will have to be made up by*
45 *increasing the property tax".*

1 **SECOND:** Mr. Peeples

2
3 **Discussion:**

4 Mr. Guerrette stressed it is important that the voters fully understand the implication of
5 the article and this way of approaching it is better than zeroing it out and it would not be
6 touching the legal entity of the article. Mr. Parker stated he felt this would be
7 appropriate, obtaining clarification that the amendment would be an editorial comment
8 and not part of the actual warrant article. There was discussion about how the \$50,000
9 would be obtained i.e. made up from taxes. Messrs. Lemire and Falzone clarified there
10 would be an impact on taxation but it would not necessarily increase next year's tax rate.
11 There was further discussion centered on the wording of the editorial and it was amended
12 slightly.

13
14 **MOTION:** by Mr. Lemire

15 *Move to amend the motion that the Budget Committee offer at the Deliberative Session*
16 *to School District Warrant Article 3 as follows: "It is forecasted that the June 30*
17 *Unreserved Fund Balance will be \$200,000. If this article is approved, \$50,000 must*
18 *be added to the existing \$100,000 Capital Reserve Fund, resulting in an appropriation*
19 *which may impact the tax rate".*

20 **SECOND:** Mr. Guerrette

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22 **MOTION:** by Mr. Lambert

23 *Move that the words "at least" be added to the amendment on the floor, after the words*
24 *"will be" and before "\$200,000"*

25 The motion failed for lack of a second.

26
27 **VOTE (on the motion on the floor):** 8-0-0

28 **The motion carried unanimously.**

29
30 **Discussion:**

31 Mr. Parker requested clarification regarding how the Budget Committee would address
32 the motion at the Deliberative Session, and there was further discussion after which Mr.
33 Lambert put forward an additional motion.

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

36 *Move to amend the Budget Committee's editorial to School District Warrant Article 3*
37 *for the Deliberative Session "It is forecasted that the June 30 Unreserved Fund*
38 *Balance will be \$200,000. If this article is approved, \$50,000 must be added to the*
39 *existing Capital Reserve Fund which contains \$100,000, resulting in an appropriation*
40 *which may impact the tax rate".*

41 **SECOND:** Mr. Spencer

42 **VOTE:** 8-0-0

43 **The motion carried unanimously.**

44
45 **VOTE on the main motion:** 8-0-0

46 **The motion carried unanimously.**

1 **School District Warrant Article 4/Town Warrant Article 14 – Petitioned Article**

2 Mr. Spencer confirmed both the School Board and the Board of Selectmen had taken a
3 position not to recommend this article. He queried whether the Budget Committee
4 should take an official position as it impacts the Committee but has no dollar impact.

5
6 **MOTION:** by Mr. Spencer

7 *Move that the Budget Committee does hereby officially recommend School District*
8 *Warrant Article 4 and Town Warrant Article 14 (Petitioned Article) pertaining to the*
9 *default budget*

10 **SECOND:** Mr. Peeples

11
12 ***Discussion:***

13 Mr. Harte confirmed he did sign the petition as he thought it a legitimate question to
14 bring to the voters. Mr. Lambert stated the article gives the Budget Committee oversight
15 with regard to the default budgets as currently only the Town and School District have
16 details on these. He pointed out the current situation provides an opportunity to
17 manipulate. Mr. Harte stated he felt there was a problem with the wording of the article.
18 Mr. Spencer pointed out the wording came from the statute, and there is a current
19 perception that the governing body prepares the default but the Budget Committee has
20 oversight. Mr. Lemire stated he was not in favor of the article(s), and talked about the
21 system of checks and balances stating if the article passed it could be used as a political
22 weapon and he felt the rationale behind the article was flawed. There was further
23 discussion with Mr. Spencer who stated there are no checks and balances on the default
24 budgets. There was a discussion on the problem with the law and the intent of the law.
25 Mr. Harte queried what options would be available to voters to retain the existing level of
26 service if the default was cut by the Budget Committee and the voters did not like the
27 proposed operating budget. There was also a discussion about situations when the default
28 budget needs to be higher than the operating budget. Mr. Peeples stated he felt the
29 Committee is large enough to be self policing and there was a place for the Budget
30 Committee to have a review cycle on default budgets.

31
32 **MOTION:** by Mr. Spencer

33 *Move that the Budget Committee does hereby recommend the petition warrant article*
34 *for the Town which states “Shall Litchfield, NH adopt the provisions of RSA 40:14-b to*
35 *delegate the determination of the default budget to the municipal budget committee*
36 *which has been adopted under RSA 32:14?”*

37 **SECOND:** Mr. Peeples

38 **VOTE:** 5-3-0 (Messrs. Lemire, Lambert and Harte opposed the motion)

39 **The motion carried.**

40
41 **MOTION:** by Mr. Spencer

42 *Move that the Budget Committee does hereby recommend the petition warrant article*
43 *for the School District which states “Shall Litchfield, NH adopt the provisions of RSA*
44 *40:14-b to delegate the determination of the default budget to the municipal budget*
45 *committee which has been adopted under RSA 32:14?”*

46 **SECOND:** Mr. Peeples

1 **VOTE:** 5-3-0 (Messrs. Lemire, Guerrette and Harte opposed the motion)
2 **The motion carried.**

3
4 Mr. Spencer confirmed that the Budget Committee's recommendation be added to both
5 the Town and School District warrants for the deliberative session.

6
7 Mr. Lemire pointed out this would be his last official meeting for the Budget Committee.

8
9 **MOTION:** by Mr. Harte

10 *Move to adjourn*

11 **SECOND:** Mr. Peeples

12 **VOTE on the main motion:** 8-0-0

13 **The motion carried unanimously.**

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15 There being no further business, the meeting adjourned at 8:53 p.m.

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22 **Minutes taken by:** *Sandra Maxwell (Recording Secretary)*

23 **Date approved:** **March 25, 2010**