

**Minutes of the
Litchfield Budget Committee Meeting
Held on December 15, 2016**

The Litchfield Budget Committee held a meeting on Tuesday, December 15, 2016 at Campbell High School, One Highlander Court, Litchfield, NH 03052.

PRESENT: C Couture (Chair), K Douglas (Vice Chair), C Pascucci, R Keating, Jen Bourque, A Cutter, D Miller, B Bourque (School Board Representative), K Bourque (Selectmen's Representative), T Brown (Town Administrator)

Absent:

1. CALL TO ORDER

Mrs. Couture called the meeting to order at 7:00 p.m.

● **PLEDGE OF ALLEGIANCE**

2. PUBLIC INPUT

There was no public input.

3. REVIEW/ADDITIONS TO AGENDA

4. REVIEW/ACCEPTANCE OF MINUTES

● **December 1, 2016**

MOTION: by Mrs. Douglas

Move to approve the minutes of December 1, 2016

SECOND: by Mr. Cutter

VOTE: 5-0-3

The motion carried.

● **December 8, 2016**

The December 8 minutes were deferred to the December 22 meeting.

5. CORRESPONDENCE

Mrs. Couture reported the following correspondence was received from the district: enrollment report, FY18 Default budget, FY18 Projected Revenues, FY18 Draft Warrant Articles; input from the Superintendent last week regarding default and operating budget voting history.

Mrs. Couture reported the following correspondence was received from the town: tax cap information, warrant articles, answers to questions from the Budget Committee.

6. BUDGET REVIEW – TOWN

Mrs. Couture mentioned that Mr. Brown provided new information reflecting that the 2017 budget is currently \$123,406 over the tax cap. She commented that the Budget Committee

cannot approve appropriations over the \$175,000 tax cap and would have to find \$123,406 in reductions or not recommend warrant articles. She indicated that technically speaking, the tax cap article is considered advisory and we do not have to follow it, but she recommends that the Committee follow the article.

Mr. Brown commented that since the last tax cap calculation the town adjusted the overlay because of the FairPoint settlement agreement. He indicated that there are still settlement agreements with Pennichuck and Eversource, but he believes they will be resolved. He added that revenues increased slightly.

Mrs. Couture commented the Budget Committee agreed to begin with warrant article recommendations and see how it affects the tax cap coverage.

- **Final Warrant Article Voting**

ARTICLE 6 – Full Time Police Officer at salary of \$86,047, appropriate \$39,055 for 2017

MOTION: by Mrs. Bourque

Move for the Budget Committee to recommend Article 6

SECOND: by Mr. Keating

Mr. Cutter felt the language “vote to hire and further vote to raise and appropriate” is confusing. Mr. Brown indicated that language was taken from a previous article for a full time officer.

Mrs. Douglas asked why the position is needed. Mr. Brown indicated the purpose is to bring the force close to a staffing level for two officers per shift.

Mr. Pascucci asked why two officers per shift is necessary. Mr. Keating indicated that two officers are needed for safety reasons.

Mr. Pascucci commented that there was discussion about coverage if one officer is out and the other is alone. He asked where does it stop?

Mr. Keating commented two officers per shift is necessary because we only have one officer on the overnight shift and that officer has to wait for back up from another department if there is an emergency. He indicated the second officer is imperative for response time, safety and a number of other reasons. He noted we are surrounded by a drug epidemic and the size and location of our town makes it a priority.

Mr. Pascucci commented that it is working the way it is currently. Mr. Keating commented the Chief stated arrests are up and it is only working because of the overtime.

Mr. Pascucci commented the Chief acknowledged the officer would not reduce overtime. Mr. Keating clarified the Chief said with the second officer next year some overtime would be saved.

He commented the Chief is going to operate his agency with what he is given and we should give them the tools they need to do their job.

Mrs. Couture commented that there will be crime that occurs you will not be able to get to. She indicated the second officer is needed not only for the safety of officers, but the safety of our community.

Mr. Pascucci commented there will still be one officer overnight. Mr. Keating indicated it will be less likely to happen with another officer.

Mrs. Bourque commented this is the first step and next year we will see Step 2.

Mr. Pascucci commented the number is another \$200,000 per year going forward. He asked about the impact with just one officer and police cruisers.

Mr. Keating commented the Chief said he wanted to change the cruiser rotation cycle and justified it. He noted even with an additional officer there are only two cruisers running all the time.

Mrs. Couture indicated that it will take a year for an officer to train and go out on his own.

VOTE: 9-0-09

The motion carried.

Article 6 was recommended by the Budget Committee by a vote of 9-0-0.

ARTICLE 7 – Road Improvement Projects, \$200,000

MOTION: by Mrs. Douglas

Move for the Budget Committee to recommend Article 7

SECOND: by Mr. Miller

Mr. Pascucci commented this article has always been fully supported by the Board of Selectmen and it appears they recommended it by a vote of 3-2-0.

Mr. Brown indicated there were a couple of members that considered the amount of the budget increase and the tax cap.

Mr. Cutter asked how the town is doing on road repairs. Mr. Brown commented the town is doing well. He mentioned that he drove down the roads that are on the list. He indicated that Nathan Drive has been torn up by plows and these are streets that have not been done in 25 years. He noted some of the major roads will cost \$1M to repair. Mr. Brown indicated we are trying to complete some of the smaller roads and then turn our attention to the major ones, such as Page Road.

Mr. Pascucci commented he recalls a conversation where it was stated that the road improvements would take 25 years and we would have to add \$200,000 to the \$250,000. He indicated the problem is if you choose to cut things that you previously said cannot be cut that is a problem. He noted this article needs to be here. *(Wasn't sure where he was going with this)*

Mrs. Couture clarified the Board of Selectmen discussed if \$200,000 was the right number because asphalt will be less expensive and they can still complete what needs to be done with a smaller number.

Mr. Kevin Bourque commented all the paving companies have locked their rates for next year.

Mr. Cutter commented that even with 75% of the amount requested there will still be enough to repave the roads.

Mrs. Bourque commented it is hard to justify spending \$200,000 for cul-de-sac neighborhoods when looking to fund other things.

Mr. Brown indicated the list of road improvement [in his office] has a cost of \$8M. He commented the Board of Selectmen agreed to keep this level-funded and to remain consistent. He noted the concern is that the town will not be able to keep up with the major roads if we cannot keep up with the smaller ones.

VOTE: 5-4-0

The motion carried.

Article 7 was recommended by the Budget Committee by a vote of 5-4-0

ARTICLE 8 – Second Year of Library Non-Union Wage Plan Implementation, \$10,186

Mr. Cutter commented that the article reflects it is recommended by the Library Board of Trustees. He recalled it had been recommended by the Board of Selectmen in years past.

Mr. Brown offered to investigate.

MOTION: by Mr. Keating

Move for the Budget Committee to recommend Article 8

SECOND: by Mr. Miller

VOTE: 9-0-0

The motion carried.

Article 8 was recommended by the Budget Committee by a vote of 9-0-0

ARTICLE 9 – Library Earned Time Accrual Expendable Trust Fund, \$5,000

MOTION: by Mr. Miller

Move for the Budget Committee to recommend Article 9**SECOND:** by Mrs. Bourque

Mrs. Douglas asked why one of the library articles is coming from the fund balance and the other from taxation. Mr. Brown indicated the Library is not included in the town fund balance. He commented we appropriate for them and allocate the funds to them.

VOTE: 8-1-0**The motion carried.*****Article 9 was recommended by the Budget Committee by a vote of 8-1-0.******ARTICLE 10 – Town Earned Time Accrual Expendable Trust Fund, \$60,000***

Mr. Pascucci asked for the current balance. Mr. Brown indicated the current balance is approximately \$30,000.

Mr. Pascucci commented this is to pay accrued time of employees and not out of the general fund. Mr. Brown indicated we do not have the authority to take it out of the general fund. He commented this fund is used for several things: employee leaves employment and we have to pay upon departure; once a year employees can choose to sell back their time; employees retiring. Mr. Brown indicated we want to preserve the fund to the best of our ability so we look at each case individually. He noted there are times when we may charge buyout to the actual salary line in the operating budget.

MOTION: by Mr. Miller***Move for the Budget Committee to recommend Article 10*****SECOND:** by Mr. Keating**VOTE: 9-0-0****The motion carried.*****Article 10 was recommended by the Budget Committee by a vote of 9-0-0.******ARTICLE 11 – Human Services and Health Agencies, \$2,400***

Mrs. Bourque asked why the warrant article includes the assignment of \$0 dollars? Mr. Brown commented traditionally the voters voted for the list and we have to list \$0 dollars to allow voters to change the amount.

Mr. Pascucci asked why the Board of Selectmen reduced all the other agencies to \$0. Mr. Brown commented the Board of Selectmen felt the three with monetary assignments were the most important.

Mr. Pascucci commented in years past it was so important that these agencies were included in the budget with funds assigned. Mr. Kevin Bourque commented that a Selectman made the motion and it was supported by some.

Mr. Pascucci asked why choose to take the money away from these good organizations that help the community. Mr. Kevin Bourque commented that the Selectman that made the motion felt the three funded were the most important.

Mr. Pascucci believes that these are charities and not invoices for services rendered. He commented that he does not agree that charitable contributions should come from the taxpayers.

Mrs. Couture indicated these organizations have direct impact on the community. She commented this is part of what it would cost if those services were not volunteered. She felt that the choice was taken away from the voters.

Mrs. Bourque asked if the Committee votes not to recommend this article, does that look to the community that we do not believe the money should be appropriated.

Mrs. Couture commented we have to explain our rationale at Deliberative Session.

Mrs. Douglas commented it is disappointing because people should have the right to make a choice.

Mr. Pascucci commented that it does not mean these organizations will not get the money if the government does not fund them. He indicated the people in the community can support these on their own.

Mr. Keating commented these organizations come to our town directly and that is the difference.

Mrs. Couture commented we get letters from these organizations outlining what they do in our community.

MOTION: by Mrs. Bourque

Move for the Budget Committee to recommend Article 11

SECOND: by Mr. Miller

VOTE: 4-5-0

The motion fails.

Article 11 is not recommended by the Budget Committee by a vote of 4-5-0.

ARTICLE 12 – Fire Vehicle and Equipment Repair Expendable Trust Fund, \$50,000

Mrs. Douglas asked if this article is meant to help fund a fire vehicle. Mr. Brown indicated it is to repair equipment or a fire vehicle (i.e. loss of a pump).

Mrs. Douglas asked what the plan would be to build up money to replace a fire vehicle. Mr. Brown indicated we had an article to put funds aside, but with the budget increase and fire station article we felt it was not the right time.

Mrs. Douglas asked if \$50,000 is enough to repair a truck. Mr. Brown indicated it could represent one the repair of one major catastrophic failure. He commented the plan would be if the town had to use those funds, the Board of Selectmen would ask to replenish them in the future.

MOTION: by Mr. Cutter

Move for the Budget Committee to recommend Article 11

SECOND: by Mrs. Bourque

VOTE: 9-0-0

The motion carried.

Article 12 is recommended by the Budget Committee by a vote of 9-0-0.

ARTICLE 13 – Architectural and Engineering Fees for New Fire Station, \$66,000

MOTION: by Mr. Miller

Move for the Budget Committee to recommend Article 13

SECOND: by Mrs. Douglas

Mr. Cutter commented we are asking for a total of \$100,000, but it is actually \$95,000. Mr. Brown indicated the architect recommended a contingency.

Mr. Pascucci asked what this would include. Mr. Brown commented the architect would review the old plans, update them, acquire new, up to date permitting and package it into a bid ready project so we can complete the selection this time next year. He indicated the result is to go to Deliberative with the actual cost and plan next year.

Mrs. Douglas commented the total cost of the project would influence me as a voter. Mr. Brown indicated the cost is between \$2M and \$2.5M to build a new fire station. He commented to proceed to the next step architectural and engineering fees need to be paid in order to be project bid ready. He believes there is a number in the report we prepared last summer, which we will share.

Mr. Pascucci commented he does not have a problem with the concept, but the wording is vague.

Mr. Keating agreed that the wording is vague.

Mr. Bourque commented the article clearly states what the money will be used for.

Mrs. Douglas asked what the renovation cost for the existing station would be. Mr. Brown indicated a study was completed this summer and that information will be available. He

commented some information will be going out to the media and at informational meetings. He noted we looked at the possibility of renovating the existing building and discovered there were several findings that convinced us it is not worth investing the money.

Mrs. Couture commented the Committee can take a vote tonight and after the hearing may decide if we want to make changes based on new or additional information.

Mr. Bourque asked for clarification on the tax cap regarding the exclusion of warrant articles. Mr. Brown explained the proposed budget and all warrant articles exceeds the tax cap by \$123,406. He commented if the default budget were approved it would include all the articles and come in under the tax cap.

VOTE: 1-7-1

The motion

Article 13 was not recommended by the Budget Committee by a vote of 1-7-1.

ARTICLE 14 – Non-Lapsing Appropriation

Mr. Brown indicated this article is pending review by the Board of Selectmen.

• **Final Votes**

MOTION: by Mr. Pascucci

Move to reduce the 2017 Town budget by \$55,006

SECOND: by Mr. Cutter

Mr. Miller believes it is disingenuous to make a motion for the bottom line of the total budget. He indicated the Budget Committee's responsibility is to make motions for specific bottom lines so the governing body knows where to apply the adjustment.

Mr. Pascucci withdrew his motion. Mr. Cutter withdrew his second.

MOTION: by Mrs. Couture

Move to reduce Account 4210.10, Police Administration, by \$26,500

SECOND: by Mr. Miller

Mrs. Couture applied a breakdown of her proposed reduction:

Line 125 \$ 6,000	Line 144 \$ 2,500
Line 140 \$10,000	Line 149 \$ 3,000
Line 141 \$ 4,000	Line 620 \$ 1,000

VOTE: 3-6-0

The motion fails.

MOTION: by Mr. Pascucci

Move to reduce Account 4155, Personnel Administration, by \$22,000**SECOND:** by Mrs. Douglas

Mr. Pascucci commented that the Library's wage implementation plan is included in the warrant and the town wage implementation plan should be a warrant article as well.

Mrs. Bourque asked who the wage implementation plan is representing. Mr. Brown indicated it represents the non-union employees.

Mrs. Douglas commented we were led to believe it would be equally distributed. She indicated the chart provided reflected the distribution and that the largest raises went to a few employees.

Mrs. Bourque asked how many people are impacted. Mr. Brown explained the non-union staff went many years without any adjustments to their salaries. The Board of Selectmen wanted to bring the salaries up to a compensable rate and eliminate cost of living adjustment and step increases. The three step plan is to get everyone where they should be and following that, we will be moving to a performance based merit system.

Mrs. Bourque asked if Mrs. Douglas' assessment that the raises went to a few employees is accurate. Mr. Brown indicated that it is not accurate and that there were a few salaries that had to be brought up higher.

Mr. Pascucci asked if making this reduction will be view that we do not support wage increases. Mrs. Couture indicated that will not be the case.

Mr. Pascucci commented if the employees are concerned they will not get raises, they will. He indicated the Town will find it in the budget. Mrs. Bourque commented some are healthy raises percentage-wise.

VOTE: 7-2-0**The motion carried.****MOTION:** by Mr. Cutter***Move to reduce Account 4312.10, Road Maintenance, by \$5,000*****SECOND:** Mr. Keating

Mr. Cutter indicated he is specifically targeting tree removal and sand purchases.

Mrs. Couture mentioned she was going to reduce that budget by a higher number, but believes that Mr. Cutter's reduction will get them closer to the correct budget number.

Mr. Miller commented we are only trying to get to a number that was on a warrant article. Mrs. Couture was concerned it will prevent the Budget Committee from presenting a reasonable budget.

VOTE: 6-3-0

The motion carried.

MOTION: by Mrs. Dougals

Move to reduce Account 4130.10, Executive, by \$6,000

SECOND: by Mr. Keating

Mrs. Douglas indicated that Line 130, Salaries Selectmen, had been \$0 for many years.

Mr. Cutter commented these people work tirelessly and deserve something.

Mr. Pascucci commented they choose to work tirelessly. He indicated there are others that will put their names on the ballot.

Mr. Bourque mentioned that he calculated how many hours the School Board works and it is phenomenal.

VOTE: 4-5-0

The motion fails.

MOTION: by Mrs. Bourque

Move to reduce 4210.10, Police Administration, by \$10,000

SECOND: by Mrs. Douglas

Mrs. Bourque indicated that she is applying the reduction to overtime. She believes the previous reduction was too high.

Mr. Cutter commented he stated during budget presentations that the overtime budget was high (\$60,000). He indicated the Chief made a compelling argument and with the drug epidemic, as well as other arguments, this overtime is needed.

VOTE: 4-5-0

The motion fails.

MOTION: by Mr. Miller

Move to reduce Account 4550.20, Library, by \$12,000

SECOND: by Mrs. Douglas

VOTE: 2-7-0

The motion fails.

Mr. Cutter asked if it would be better to increase revenues. Mrs. Couture commented the Budget Committee can choose different revenue, but we have to be justified in doing so.

MOTION: by Mr. Keating

Move to reduce Account 4220.10, Fire, by \$11,000

SECOND: by Mrs. Bourque

Mr. Keating indicated the Fire Department has two thermal cameras and this will make three. He believes they do not need a third this year.

Mr. Kevin Bourque explained that it is a life safety tool and is used to help navigate through a building filled with smoke.

Mr. Keating withdrew his motion. Mrs. Bourque withdrew her second.

MOTION: by Mr. Cutter

Move to reduce Account 4220.10, Fire, by \$6,000

SECOND: by Mr. Keating

Mr. Cutter indicated that the Budget Committee was told the replacement cost for the dispatch radio would be offset by \$6,000.

VOTE: 7-2-0

The motion carried.

MOTION: by Mr. Miller

Move to reduce Account 4312.10, Road Maintenance, by \$22,006

SECOND: by Mrs. Bourque

Mr. Miller indicated he is applying the reduction to salt purchases.

VOTE: 2-7-0

The motion fails.

MOTION: by Mr. Pascucci

Move to reduce Account 4197.10, Advertising and Regional Associations, by \$7,388

SECOND: by Mrs. Douglas

Mr. Pascucci commented he is applying the reduction to Dues and Subscriptions, specifically the cost of membership for the NHMA.

VOTE: 3-6-0

The motion fails.

MOTION: by Mrs. Couture

Move to reduce Account 4445.20, Welfare, by \$2,500

SECOND: by Mrs. Douglas

Mrs. Couture indicated that historically only \$5,000 has actually been spent. Mr. Brown commented the account has been reduced significantly.

Mrs. Couture commented these have been some of our worst economic years and the account has barely been used. Mr. Brown indicated it only takes one medical issue or unemployment to exhaust this account.

VOTE: 0-9-0

The motion fails.

MOTION: by Mr. Cutter

Move to reduce Account 4520.10, Parks and Recreation, by \$5,500

SECOND: by Mrs. Couture

Mrs. Bourque commented there is a new contract for field maintenance budgeted and there are many volunteers that give their time.

Mr. Pascucci commented he has been opposed to the Recreation Committee in years past because they were adding staff. He indicated that now there are volunteers and they are using the money in the right places.

VOTE: 0-9-9

The motion fails.

MOTION: by Mr. Miller

Move to reduce Account 4210.10, Police Administration, by \$22,007

SECOND: by Mrs. Douglas

Mr. Miller indicated that the reduction is for health insurance attrition and can be applied to Line 210. He commented it is not uncommon for the Budget committee to take this type of reduction as there are always changes throughout the year.

Mr. Brown commented the impact will occur somewhere else in the budget. Mrs. Douglas commented it is a bottom line budget and the reduction has to come from somewhere.

Mr. Pascucci commended the Committee for standing to principle. Mr. Cutter commented the people that manage the budget can allocate the reductions.

MOTION: by Mr. Keating

Move to amend the motion and distribute the reduction as follows:

Account 4210.10, Police Administration, Line 210 \$15,000;

Account 4220.10, Fire, Line 210 \$5,000;

Account 4130.10, Executive, Line 210 \$2,207

VOTE: 7-2-0

The amended motion carried.

VOTE ON THE MAIN MOTION: 7-2-0

The main motion carried.

The total 2017 Recommended Town Budget bottom line is \$5,755,805.70. The total of \$5,755,805.70 for the operating budget will be listed on Warrant Article 5.

MOTION: by Mrs. Bourque

Move for the Budget Committee to recommend Article 5

SECOND: by Mr. Keating

VOTE: 6-3-0

The motion carried.

Article 5 is recommended by the Budget Committee by a vote of 6-3-0.

7. REPORTS

• School District

Mr. Bourque reported that revenues were closer than what was anticipated.

Mr. Miller asked how the district can decline drastically in students and stay consistent in revenues. Mr. Bourque commented that Mr. Markiewicz believes it is due to the money refunded as a result of the Dover lawsuit.

Mrs. Couture explained Dover felt they were not getting their full amount of education aid, brought a lawsuit and won. Mr. Bourque indicated they sued for a portion of what they had coming.

Mr. Bourque reported that with regard to the question about rescinding bus fees and a prior warrant article, legal counsel's opinion is the article is non-binding and advisory and can be leveled out. He reported LEA negotiations is ongoing; the LSS union requested to reopen negotiations and the first meeting was held today. He reported the Board became aware of an additional special education placement.

MOTION: by Mr. Bourque

Move to increase the FY18 Special Services Recommended budget by \$106,000

The motion had no second.

Mrs. Couture suggested tabling the motion until the December 22 meeting.

Mrs. Couture asked Committee members to review the School District warrant articles provided. She indicated budget voting will be by object account.

8. MEMBER INPUT/MISC. BUSINESS

Mr. Miller commented on his rationale for budget voting. He believes the Committee members are sent here to go line by line for reductions.

Mr. Cutter commented we talk about a bottom line budget every year and whatever method we use makes no difference because the money gets shuffled around anyway.

Mrs. Douglas commented she prefers the line by line review and voting.

Mrs. Couture indicated that she has to complete the Department of Revenue Administration forms line by line.

9. PUBLIC INPUT

There was no public input.

10. ADJOURN

MOTION: by Mrs. Douglas

Move to adjourn

SECOND: by Mr. Keating

VOTE: 9-0-0

The motion carried.

The meeting was adjourned at 10:00 p.m.

Next Meeting: Thursday, December 22, 2016

Recorded by: Michele E. Flynn, Recording Secretary