

**Minutes of the
Litchfield Budget Committee Meeting
Held on May 25, 2017**

The Litchfield Budget Committee held a meeting on Thursday, May 25, 2017 at Campbell High School, One Highlander Court, Litchfield, NH 03052.

PRESENT: C Couture (Chair), K Douglas, J Bourque, R Keating, J Spotts, C Harrison (School Board Representative), J Brunelle (Selectmen Representative)

Absent: A Cutter (Vice Chair)

1. CALL TO ORDER

Mrs. Couture called the meeting to order at 7:03 p.m.

● **PLEDGE OF ALLEGIANCE**

2. PUBLIC INPUT

Cory Izbicki, 3 Kokokehas Circle, commented that he will be the new Business Administrator in Litchfield effective July 1 and provided his resignation to the Budget Committee. He expressed that he is looking forward to working with the Budget Committee in the fall and hopes to open up the lines of communication.

Mrs. Couture commented she looks forward to further cooperation in the fall.

3. REVIEW/ADDITIONS TO AGENDA

Mrs. Couture added Committee Vacancy to the agenda.

4. REVIEW/ACCEPTANCE OF MINUTES

● **April 13, 2017**

MOTION: by Mrs. Douglas

Move to approve the hearing minutes of April 13, 2017

SECOND: by Mrs. Bourque

VOTE: 5-0-2

The motion carried.

5. CORRESPONDENCE

Mrs. Couture announced correspondence received included a resignation letter from Cory Izbicki.

6. REPORTS

● **School Business**

1. General Updates

Mrs. Harrison reported that the incoming first grade enrollment is at 56 students at this time. She indicated that a fifth grade and third grade teacher have been added and GMS is anticipating additional enrollment for grade one over the summer. She commented that there will be four grade one teachers if additional students enroll. Mrs. Harrison reported that she has been hearing there may be a larger enrollment at charter and private schools.

Additionally, Mrs. Harrison reported the School Board approved the following new hires: Business Administrator, GMS Assistant Principal, School Psychologist, Grade 5 Teacher, Grade 1 Teacher.

2. Budget Update

Mrs. Harrison reported that the Budget Committee received the May financial report, which reflects the projected unassigned fund balance at this time. She noted the underspend for Special Services is currently \$50,000 and potential additional students for next year are being tracked.

Mrs. Couture commented there was approximately \$200,000 reduced before the year began.

Mrs. Harrison commented the underspend is not as high as it has been in the past. She indicated the remainder of the underspend consists of salaries and benefits.

Mrs. Douglas asked where the monies reduced in the Special Services budget were allocated.

Mrs. Couture explained last year the Budget Committee reduced the Tuition account by \$85,000. She indicated the district took \$96,000 out as well.

Mrs. Douglas asked where the funds were transferred. Mrs. Harrison indicated she did not have that information.

Mrs. Douglas commented if the transferred funds stayed within special services that would be fine, but if the funds were moved to regular education then that is a violation of the agreement with regard to returning monies to the town.

Mrs. Harrison commented that special education funding is kept separate from regular education.

3. End of Year Projections

Mrs. Harrison reported that some spend ahead items have been identified in the FY18 budget, which include the last payment of the textbook contract, building projects and severance payments.

Mrs. Douglas commented if textbooks have already been budgeted that money should be held for unanticipated critical items that have not been budgeted.

Mrs. Bourque commented at the end of the day it is a shell game. She indicated something could happen next year and we may need that cushion. She noted most businesses do the same thing.

Mrs. Douglas believes the money should be returned to the taxpayers.

Mrs. Couture commented that she is more concerned with the technology purchases for items that were budgeted in FY18. She indicated the Budget Committee left money in the budget for that purpose and the district did not follow through.

Mrs. Couture asked for a hiring status.

Mrs. Harrison commented that the district is looking to fill a full time Chemistry teacher position and the Curriculum Director position.

Mr. Keating asked if the School Board plans to post the Superintendent's position. Mrs. Harrison indicated the Board had a discussion and will be holding community forums for feedback. She noted that the Search Committee will vet the candidates. She commented that Mrs. Izbicki provided valuable input about the search as she was involved in one.

Mr. Keating commented that it is a shallow pool and suggested expanding the search timeline. Mrs. Harrison indicated that in the past the School Board started in November, but they are planning to expand the timeline.

- **Town Business**

- 1. **General Updates**

Mr. Brunelle reported:

- The Board of Selectmen ratified the election on May 8;
- There is approximately 60% remaining in the budget;
- Tax bills were sent out;
- The Board of Selectmen hired a part time clerk for the Tax Collector's office and reduced the existing part time clerk's hours to accommodate the position;
- A full time police officer was hired;
- A second full time position in the police department, approved by the voters, has been opened up;
- Two new cruisers were authorized and two were purchased;
- Vendors have assessed the failed fire department leach filed.

Mr. Brunelle indicated that 17 new fire hydrants came on line this year as a result of the PFOA water pipeline installation, which will impact the budget.

Mrs. Douglas commented that it was understood Saint Gobain would be providing the funds for the cost.

Mr. Brunelle indicated they have been working with the town, but we have to pay Pennichuck regardless of cost coverage.

Mr. Brunelle further reported:

- The Fire Chief and Town are working with an architect on plans for the new fire station;
- The Highway Department anticipates all road projects that are funded will be completed by June and within budget;
- The salt shed is full, but the snow removal budget is somewhat depleted;
- The legal budget has had high usage;
- There was an unexpected equipment failure at the town hall, which resulted in the purchase of a new AC unit for the computer room;
- The Board of Selectmen are working on the 2018 budget and anticipate starting review with the Budget Committee on October 5;
- A market assessment on wages will be completed as this is the third year of the wage plan.

Mrs. Bourque asked if that is subject to the tax cap.

Mr. Brunelle indicated everything is subject to the tax cap. He commented the important part about the tax cap is that the Board of Selectmen will recommend a budget appropriate for the town, but the Budget Committee has to make the reductions. He noted that warrants can still be presented to the voters, but the Budget Committee may not be able to approve them. Mr. Brunelle indicated there are some changes coming from the legislature regarding the tax cap.

Mrs. Couture commented that as it stands the voters are only able to vote on the Budget Committee number.

Mr. Brunelle commented the town's budget is very well calculated. He indicated the drivers are labor and insurance.

8. MEMBER INPUT/MISCELLANEOUS BUSINESS

- **Budget Process Discussion for 2017 and FY19 Budgets**
 - **Process**

Mrs. Couture commented one of the discussions at the last meeting was how the Committee would like to plan the budget process. She indicated it was suggested to hold review for the district budget on one day. She noted that the Committee discussed parameters, such as a certain percentage increase and Mr. Izbicki talked about using the default budget as a base to prepare the operating budget.

Mrs. Bourque commented that the town budget is subject to the tax cap and the Budget Committee will not approve anything above the cap. She added we are not sure what kind of

number to recommend for the school budget. She indicated that 80% of the district budget is made up of salaries and benefits and asked how we can stop that.

Mrs. Couture commented the Board of Selectmen understands the limitations, but needs to think about those limitations the tax cap puts on the Budget Committee. She indicated there will have to be warrant articles because we will not be able to come in with the number the Board of Selectmen recommends.

Mrs. Douglas commented that priorities need to be identified, clearly outlined and defined in advance.

Mr. Brunelle commented the town operating budget will be within the tax cap. He believes the difficulty will be what the Budget Committee decides to support on the warrant.

Mrs. Bourque commented if you submit a budget in line with the tax cap there is not a warrant article the Budget Committee can approve.

Mr. Keating commented the budget process was difficult to go through last year and we went through many different amendments. He was concerned with going through the same process this year. He indicated the town budget is easier because of the tax cap, however, we may not be able to approve any articles. In reference to the school budget, he noted that Mr. Izbicki suggested that he would begin with the default budget and budget from there. Mr. Keating commented that he would like to see a different process than going page by page. He suggested doing a five year analysis and determine what the average was for that time, then recommend a bottom line number.

Mrs. Bourque suggested anything above and beyond the default budget for the school district should have a good reason.

Mrs. Couture commented that Mr. York mentioned the use of cost of living comparisons when budgeting. She explained if the Committee would like to use the CPI for November of that year based on the New England region it can be applied to the default resulting in a cap.

Mr. Keating believes Mr. Izbicki will bring that through with the default budget. He agreed that if something is needed the district can come and explain it to the Committee.

Mrs. Couture commented that at the last meeting some members suggested not making any financial decisions until the end of the process and making broad decisions. She believes this is the one opportunity for administrators and department heads to let people know what they do all year. She asked Committee members if they would like to streamline the budget process by scheduling presentations over two weeks and spending two weeks on budget decisions.

Mrs. Bourque felt she would still like to hear about priorities from department heads and the status of their budget and when we make the reductions they are here to add input or answer questions.

Mrs. Couture commented the School Board will be reviewing their budgets in one day. She asked Committee members if the same can be done in one or two meetings.

Mr. Keating suggested making a schedule and they either attend or they do not.

Mr. Brunelle commented for the town it is the Board of Selectmen's budget. He indicated department heads are brought in to support the discussion, but the town administrator explains the differences. He noted regardless of what you recommend for a department, it is up to the Board of Selectmen to allocate the funds.

Mrs. Couture noted that the schedule that was prepared for the town will stand. She indicated one of the reasons why we would recap in December is because adjustments are made to the town budget.

Mr. Brunelle commented that warrant articles may not be able to be brought forward any earlier. He recommended asking department heads questions while they are present.

Mrs. Douglas commented that she always has more questions after the meeting has ended.

Mr. Brunelle commented if the town presents on October 5 and 12, prepare questions as quickly as possible.

Mrs. Couture commented we would skip October 19 and come back on October 26.

Mr. Keating commented we can always have someone come in if there are more questions or we can email the questions.

Mrs. Bourque asked if the agenda can be set up to stop at 10:00 p.m. if we are set up with this level of structure.

Mrs. Couture indicated that the agenda can be set up to stop at a certain time. With reference to the district budgets, she commented the School Board will be reviewing the budgets October 14. She indicated the Budget Committee is scheduled to review them on November 2. She suggested hearing presentations November 2 and 9, skipping November 16 and returning November 30, with warrant articles scheduled for December 14.

o Parameters

Mrs. Bourque commented she is not comfortable setting parameters at this time.

Mrs. Douglas agreed it is a good idea, but a challenge to adhere to.

Mr. Keating suggested giving the new Business Administrator time to get acclimated and see what he presents. He indicated it would be more efficient to get the process done in a more streamlined fashion and easier for people to understand. He commented if we set a time schedule, Mr. Cutter can work on his analysis.

○ **Default Budget**

Mrs. Couture asked if the town would be able to prepare the default budget sooner. Mr. Brunelle indicated he will ask the Board of Selectmen and Town Administrator.

● **Bylaws**

Mrs. Couture indicated the bylaws were revised at the last Budget Committee meeting. She asked the Committee members for a motion to approve the bylaws.

MOTION: by Mrs. Bourque

Move to approve the bylaws as revised

SECOND: by Mr. Keating

VOTE: 6-0-1

The motion carried.

Mrs. Couture indicated there is a vacancy on the Budget Committee.

Mrs. Douglas commented there were no opponents that ran so we will have to open it to the community and advertise.

Mrs. Couture indicated we would be inviting write ins if they are interested. She noted she will check with the Town Clerk regarding write ins and reach out and ask if they are interested in serving on the Budget Committee. She commented we will advertise the vacancy to get interest and interview in June.

Mrs. Couture indicated that some questions about the town budget were received by Dennis Miller and forwarded to the Selectmen's Representative.

Mr. Brunelle provided the following answers:

- there is \$5,100 left in the snow budget, but the salt shed is full;
- snow removal budget is down to \$3,000, which is concerning;
- cruiser budget is overspent and the Board of Selectmen is well aware of the expense issue in the police budget;
- Officer Brown is going on military leave and the shifts will be filled, which will be paid as overtime;
- when Officer Flynn attends the academy those shifts will be filled.

Mrs. Couture wanted to know about the encumbered amount for the Chief's buyout. Mr. Brunelle explained that a plan was worked out with Chief O'Brion to buy out exposure. He indicated when he does decide to retire we will know ahead of time and be able to plan for it.

9. PUBLIC INPUT

There was no public input.

10. ADJOURN

MOTION: by Mrs. Bourque

Move to adjourn

SECOND: by Mrs. Douglas

VOTE: 7-0-0

The motion carried.

The meeting was adjourned at 8:25 p.m.

Recorded by: Michele E. Flynn, Recording Secretary

Approved: August 24, 2017