

**Minutes of the  
Litchfield Budget Committee Meeting  
Held on December 7, 2017**

The Litchfield Budget Committee held a meeting on Thursday, December 7, 2017 at Campbell High School, One Highlander Court, Litchfield, NH 03052.

**PRESENT:** C Couture (Chair), K Douglas (Vice Chair), J Bourque, D Miller, J Bourque, B Lemire (Selectmen's Representative), C Harrison (School Board Representative)

Absent: R Keating, J Spotts

**1. CALL TO ORDER**

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

- **PLEDGE OF ALLEGIANCE**
- **REVIEW/ADDITIONS TO AGENDA**

**2. PUBLIC INPUT**

There was no public input.

**REVIEW/ACCEPTANCE OF MINUTES**

- November 9, 2017

**3. MEMBER INPUT/MISCELLANEOUS BUSINESS**

Mr. Lemire apologized that there was no representative from the town at the last Budget Committee meeting. He indicated it will not happen again. He commented it is a pleasure to be back at the Budget Committee meetings.

**4. CORRESPONDENCE**

Mrs. Couture announced that several documents were received from the school district: the FY19 budget update, FY18 finance update, FY19 draft default budget, FY19 draft warrant; community input from Maureen Halligan, thanking the Budget Committee for recommending full day kindergarten be placed on the warrant; and updates from the Town Administrator.

**5. BUDGET REVIEW: TOWN BUDGET**

- **Updated Information**

Mr. Brown noted there have been several changes since October 26:

- Increase of \$2,730 in Town Administrator salary
- Increase of \$1,456 for the Finance Bookkeeper position new hire
- Increase of \$2,400 for the new Prosecutor 3 year contract
- Increase for current contractor of \$3,500

Total: \$10,086 new proposed expenses added to the Board of Selectmen's 2018 budget.

- Decrease of \$69,096 for Health Trust health insurance plan premium
- Assumption: eliminated \$20,000 reduction in health insurance made by the Budget Committee.

Mrs. Couture asked if the Budget Committee made the \$20,000 reduction subject to what occurs with health insurance.

Mrs. Bourque commented that she is comfortable with what the town did.

Mr. Miller commented his assumption was similar to Mrs. Bourque's assumption as the reduction was a basic bottom line reduction and had to be attributed to a line item.

Mrs. Douglas commented the assumption was one of renegotiation that we would revisit it, but when we look at where we are with the tax cap in relation to warrant articles, we may want to keep it open for discussion.

Mrs. Bourque commented she does not believe the Committee has to cut more than the resulting reduction.

Mr. Brown indicated the tax cap spreadsheet includes all the reductions, but does not include the increases until the Budget Committee votes on them.

**MOTION:** by Mrs. Douglas

***Move to accept a reduction of \$69,096 in Health Insurance***

**SECOND:** by Mrs. Bourque

**VOTE: 6-0-0**

**The motion carried.**

Mrs. Couture recommended keeping the new increases in the Board of Selectmen's budget. Mr. Lemire requested that the Budget Committee approve the increases and include them in the Budget Committee Recommended budget. He indicated that the Board of Selectmen did not know these numbers prior to this presentation.

**MOTION:** by Mr. Lemire

***Move to approve the following increases for 2018:***

- Increase of \$2,730 in Town Administrator salary
- Increase of \$1,456 for the Finance Bookkeeper position new hire
- Increase of \$2,400 for the new Prosecutor 3 year contract
- Increase for current contractor of \$3,500

**SECOND:** by Mrs. Bourque

Mrs. Couture indicated upon approval these increases become part of our budget. She noted that with the approval of these increases the budget will be within \$24,000 of the tax cap.

Mrs. Bourque clarified that if we approve this motion and all the warrant articles, the budget will still be \$24,000 below the tax cap.

**VOTE: 6-0-0**

**The motion carried.**

Mr. Brown indicated that the new total for the 2018 Town Recommended budget is \$6,215,024.

**MOTION:** by Mr. Lemire

***Move to approve the 2018 Town Recommended budget of \$6,215,024***

**SECOND:** by Mr. Miller

Mrs. Douglas commented she is comfortable that the Budget Committee got to the bottom line number, but she is not comfortable that it is the right number.

Mr. Lemire asked what makes the number uncomfortable.

Mrs. Douglas commented in speaking with people there are areas we could have taken reductions and we did not. She indicated it is a lot to ask of people when we could have been more conservative in areas such as overtime, increases in contracts, etc.

Mrs. Couture was hopeful that people will attend the budget hearing and express concerns for reductions.

Mrs. Douglas commented that if no changes are made and she votes in the affirmative now, she would have agreed with the budget and it is a lot to ask of the taxpayers this year.

Mr. Lemire indicated there are increases in the budget that are beyond our control, such as the hydrants, for which we have no choice.

Mrs. Couture clarified that Mrs. Douglas is saying she supports the process, but may not want to recommend the budget to the community. She commented on January 11, the Committee can vote to reconsider or make a final recommendation.

Mr. Lemire indicated that the Board of Selectmen would like to know the Budget Committee's concerns going forward. He commented the feedback and dialogue would be helpful.

Mrs. Douglas commented that she believes the discussions have been made.

Mrs. Bourque asked Mrs. Douglas if there were any motions she made for the budget that the Budget Committee did not approve.

Mrs. Douglas commented that a 7% increase is not what the town needs right now. She was not sure if the proposed amount is the right number.

Mrs. Bourque indicated that we had an opportunity to take reductions and adjustments. She did not recall any discontent. She commented that she does not know any other place in the budget the Committee can reduce.

Mr. Miller commented he is struggling with the notion that within three years the budget has increased \$1.2M and there has been no population growth. He indicated that legal fees has increased \$60,000, hydrants have increased \$152,000 and is not sure the town will recover it. He noted that we do not know the long term impact of the fire station. Mr. Miller mentioned next year we will have a huge tax cap problem with the fire station.

Mr. Lemire indicated there was much to deal with this year and we are up against a tax cap that should not have anything to do with warrant articles, but we have to live with it. He commented that the town is trying, but with regard to some expenses, the town has no choice.

Mr. Miller commented if this were a business we would be looking to make changes. Mr. Lemire indicated the town produces no goods as does a business. The town provides services and does so no matter the cost.

Mr. Miller commented that the health insurance “is killing us”. He indicated there are no private companies offering health benefits like the town does.

Mrs. Bourque indicated one of the major advantages to working in public employment is the health insurance and many in the town and school district work long hours.

Mr. Miller commented he would examine and question hours worked in comparison to benefits.

Mrs. Couture redirected the Committee, indicating this is not the right venue or discussion. She commented based on what this number means, we are going to recommend to bring a budget number of \$6,215,024 to the January 11 Budget Hearing.

**VOTE: 6-0-0**

**The motion carried.**

- **Warrant Article Presentation**

Mrs. Couture commented that it is obvious there is no article for the fire station.

Mr. Brown commented that the architect and construction manager will be present at the Board of Selectmen meeting on Monday. He indicated they have been working on a website about the

fire station project. He noted the construction manager needs to work on the cost estimate and is hopeful it will be completed near or shortly after Christmas. Mr. Brown indicated the town has sent proposals from legal counsel for bond counsel. He commented that the town wants to be sure the number presented to the public does not change. He explained that the construction climate is in an area it has never been in before, as there is a shortage of labor resulting from the natural disasters in recent times and has driven the cost for supplies to increase significantly.

Mr. Lemire indicated that they presented to the Planning Board Tuesday night. He noted that we emphasized to our architect and engineer that it is imperative to get the best possible figure we can get. He explained that the process began in the best climate, but after the natural disasters and demand for materials, it is now the worst climate.

Mrs. Couture commented in terms of our schedule and our needs, we need to know where we are standing before the hearing. Mr. Lemire indicated that was made clear to them.

Mr. Brown suggested scheduling a special budget meeting to have the team make a presentation.

Mrs. Couture agreed and suggested to schedule the meeting on January 4, 2018. Mr. Lemire indicated that the team can attend on that date and provide a full presentation.

Mr. Miller asked for as much material ahead of that date as possible.

Mrs. Bourque asked why the town does not delay the project for one year in light of the high demand for labor and high cost of materials. Mr. Brown explained last year the plan was that the bids would be completed so when we got to the polls the project would have included the costs. He indicated it was stated that it is not prudent to go to bid currently, but to wait until March or April.

Mr. Lemire indicated they anticipate that things will get better in the spring.

Mrs. Douglas was concerned that the numbers are needed to develop the bond value.

Mrs. Bourque commented the restoration for Florida, Puerto Rico and Houston will be a very long restoration period.

Mr. Brown indicated that the architect and construction manager will be working with the sub-contractors on a solid construction estimate.

Mrs. Couture indicated there will be a presentation on January 4, 2018 and the Budget Committee will receive information ahead of time. Mr. Brown indicated they will release the website before the hearing.

**Article 5: Full Time Police Officer: \$40,899 2018; \$89,512 2019**

**MOTION:** by Mr. Lemire  
*Move to recommend Article 5*  
**SECOND:** by Mrs. Bourque  
**VOTE: 6-0-0**

**The motion carried.**

**Article 6: Plow Truck Lease Purchase: \$161,640**

Mr. Brown indicated that this is a lease purchase over six years with the first year appropriation of \$26,940 that will come from the unassigned fund balance.

**MOTION:** by Mr. Lemire  
*Move to recommend Article 6*  
**SECOND:** by Mr. Miller

Mrs. Douglas asked how many trucks the town has.

Mr. Brown indicated the front line truck is nine years old and the town has two more that are very old. He explained that the town would like to try to replace the existing trucks, but not increase the fleet.

**VOTE: 6-0-0**  
**The motion carried.**

**Article 7: Third Year of Library Non-Union Wage Plan Implementation: \$10,401**

**MOTION:** by Mr. Lemire  
*Move to recommend Article 7*  
**SECOND:** by Mr. Miller

Mrs. Couture commented this is the last year for the library wage implementation and the town is now up to date. Mr. Brown indicated that Mrs. Couture is correct. He noted the third year of the town wage implementation plan was not funded, so performance reviews are done.

**VOTE: 6-0-0**  
**The motion carried.**

**Article 8: Town Earned Time Accrual Expendable Trust Fund: \$50,000**

Mr. Brown indicated the funds for this trust fund will come from the unassigned fund balance.

**MOTION:** by Mr. Lemire  
*Move to recommend Article 8*  
**SECOND:** by Mrs. Bourque  
**VOTE: 6-0-0**  
**The motion carried.**

**Article 9: Building Systems Trust Fund: \$25,000**

Mr. Brown indicated the funds for this trust fund will come from the unassigned fund balance.

**MOTION:** by Mr. Lemire

*Move to recommend Article 9*

**SECOND:** by Mrs. Bourque

Mr. Brown explained this is an expendable fund that covers all unanticipated repairs for all town facilities.

Mrs. Douglas mentioned the school district had a consultant go through the buildings and provide a list of what is needed. She suggested the town may want to consider the something similar. She commented it is prudent to fund, but was concerned that \$25,000 would be enough.

There were some questions regarding the unassigned fund balance.

Mr. Brown explained that Board of Selectmen rely on the auditors to determine if the unassigned fund has a healthy balance. He noted that the town's unassigned fund balance is within the range. He explained we take money out of the fund for the warrant articles and after the vote, we put it back in. He indicated the funds get replenished from three sources: unexpended funds, unanticipated revenue and overlay.

Mrs. Bourque asked if the Budget Committee should know what percentage or dollar amount comes from each. Mr. Brown indicated the Budget Committee is not required to have that information.

Mr. Lemire commented the state requires the town to maintain a certain percentage in the unassigned fund balance, and we are within that range.

**VOTE: 6-0-0**

**The motion carried.**

Mr. Brown mentioned that there will be a petition article to establish a beautification fund to be used for landscaping, flags, etc.

- **Recommended Budget Final Vote**

The new total for the 2018 Town Recommended budget is \$6,215,024, which is \$23,952 below the tax cap and \$132,532 over the 2018 Default budget.

**MOTION:** by Mr. Lemire

*Move to approve the 2018 Town Recommended Budget total of \$6,215,024*

**SECOND:** by Mrs. Bourque

**VOTE: 6-0-0**

**The motion carried.**

## 6. REPORTS

### ● School District

Mrs. Harrison reported that the School Board received another enrollment report at the meeting last night that reflected three students from GMS moved out. She indicated there are many things going on in the schools this month:

- Lego Robotics: 2 of 3 teams advanced to the State competition;
- 21 CHS students were inducted into the National Honor Society;
- 30 CHS students submitted 120 college applications;
- 85 colleges came to CHS to provide presentations;
- 1:1 program will roll out in grade 8 starting January 4, 2018 for students in Algebra I and Spanish I;
- Adding Intro to Statistics course to CHS Program of Studies;
- Proposed PSAT/SAT Prep course/.

Mrs. Harrison reported there is no final decision for full day kindergarten at this point. She indicated the School Board will put it in a warrant article.

Mrs. Couture indicated the Committee will discuss the school district warrant next week.

## 7. Public Input

There was no public input.

## 8. Adjourn

**MOTION:** by Mrs. Douglas

***Move to adjourn the meeting***

**SECOND:** by Mrs. Bourque

**VOTE: 6-0-0**

**The motion carried.**

The meeting was adjourned at 8:40 p.m.

Next meeting: December 14, 2017

**Recorded by: Michele E. Flynn, Recording Secretary**

**Approved:**