

**Approved Minutes of the  
Litchfield Budget Committee Meeting  
Held on October 4, 2018**

The Litchfield Budget Committee held a meeting on Thursday, October 4, 2018 at Litchfield Town Hall, 2 Liberty Way, Litchfield, NH 03052.

**PRESENT:** C Couture (Chair), K Douglas (Vice Chair), J Martin, N Fordey, J Whitnell, B Hodgkins, R Meyers (School Board Representative), J Brunelle (Selectmen Representative), T Brown (Town Administrator)

Absent: J Bourque

R Meyers (arrived late)

**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 / ACCEPTANCE OF MINUTES**

● **September 27, 2018**

**MOTION:** by Mrs. Douglas

*Move to approve the minutes of September 27, 2018*

**SECOND:** by Mrs. Martin

**VOTE: 6-0-1, with Mr. Whitnell abstaining**

**The motion carried.**

**4. CORRESPONDENCE**

Mrs. Couture reported that questions and responses regarding the 2019 Town budget were received this week. She mentioned the tax rate was set this week as well.

Mr. Brown mentioned that there was a slight change to the tax rate as Catastrophic Aid changed slightly for the school district.

Mrs. Couture explained when we estimate the tax rate for the town we are usually on target, but when we estimate for the school district we estimate to a \$200,000 fund balance.

Mrs. Douglas commented in addition to the school district returning \$600,000 to offset taxes, \$200,000 was spent for the kindergarten portables. She indicated that the Budget Committee needs to look at that budget more thoroughly, be more consistent to keep the budget more level funded.

Mrs. Couture commented that is why the averages are important.

## **5. NEW BUSINESS**

There was no new business.

## **6. TOWN BUDGET PRESENTATION**

*(Note: Budget presentations may not be in the order they were presented.)*

### **Sanitation**

Mr. Brown presented the 2019 Proposed Sanitation budget with a bottom line total of \$404,964, which is an increase of \$21,178 over 2018. He indicated the increase is predominantly in wages as the town moved away from a step schedule to performance reviews. He noted that health insurance is estimated at a 10% increase.

Mrs. Douglas asked if the 10% increase in health insurance is reasonable as compared to last year.

Mr. Brown commented the town is hoping the increase will be between 5% and 12%. He indicated the town changed providers last year after being quoted a 22% increase in health insurance.

Mr. Brown reported that municipal waste, solid waste and debris removal reflect a 3% increase in each line.

Mrs. Couture indicated that this budget had a 3% increase as well.

### **Board of Selectmen**

Mr. Brown presented the 2019 Proposed Board of Selectmen's budget with a bottom line total of \$123,779, which is an increase of \$5,227 over 2018. He indicated contributing to increases are wages, health insurance, and the cost of training in Public Management certification for the Town Administrator.

### **Town Meeting**

Mr. Brown presented the 2019 Proposed Town Meeting budget with a bottom line total of \$10,503, which is a decrease of \$5,472 from 2018. He indicated that the decrease in expenditures is due to the reduction in the number of elections held in the State this year, as four elections were held last year and two will be held next year.

### **Town Clerk**

Mr. Brown presented the 2019 Proposed Town Clerk's budget with a bottom line total of \$110,950, which is a decrease of \$2,707 from 2018. He indicated the Town Clerk and Tax Collector positions are shared 50% in each budget. He noted that there is an estimated increase

in health insurance, a software licensing savings and a change in staff resulting in a reduction in the budget.

Mrs. Couture asked for more information regarding the position changes.

Mrs. Briand explained last year the Town tried to add an additional position, which would have resulted in two part time (23 hours) employees and one 32 hour employee, but we were not successful in hiring for the 23 hour positions.

### **Accounting**

Mr. Brown presented the 2019 Proposed Accounting budget with a bottom line total of \$256,600, which is an increase of \$8,241 over 2018. He indicated contributing to the increase in the budget are increases in wages, estimated health insurance increase, and the first year that the Town office has a new bookkeeper.

### **Tax Collection**

Mr. Brown presented the 2019 Proposed Tax Collection budget with a bottom line total of \$110,100, which is a decrease of \$1,660 from 2018.

### **General Government Facilities**

Mr. Brown presented the 2019 Proposed General Government Facilities budget with a bottom line total of \$102,837, which is an increase of \$9,163 over 2018. He indicated that electric costs for the town hall, police station and the old fire station are contributing to the increase in the budget. He noted propane has increased and gasoline has increased from \$2.25 per gallon to \$2.50 per gallon with no change in consumption.

### **Ambulance**

Mr. Brown presented the 2019 Proposed Ambulance budget with a bottom line total of \$67,500, which is an increase of \$5,000 over 2018. He indicated that no change in the contract with Hudson is projected. He explained the increase is for an appropriation to the revolving fund for bad debt. Mr. Brown noted that the town maintains a trust fund for bad debt. He indicated the billing is done through ComStar who send the bills to Hudson for ambulance calls in Hudson or Litchfield. He commented that there was a glitch in the software and unpaid bills were not being pushed to Hudson, so Litchfield went a year without activity from Hudson, which resulted in a reduction in the 2018 budget.

Mrs. Douglas commented it is Hudson's contract and asked about their responsibility in the error.

Mr. Brown commented they are not going to share the cost and these are bills Litchfield is required to pay.

Mrs. Douglas asked if Litchfield has considered entering their own contract. Mr. Brown indicated that Litchfield is not the provider of the ambulances.

**Fire Administration**

Mr. Brown presented the 2019 Proposed Fire budget with a bottom line total of \$670,351, which is an increase of \$44,121 over 2018. He indicated that increases in budget include an increase in wages per performance reviews, an increase in salary for the Fire Chief, an additional \$5,000 stipend for the Fire Chief for overseeing the construction of the new fire station, estimated health insurance increase, and equipment.

Mrs. Douglas commented on the increase in the dispatch service contract and asked for a cost comparison between the previous contract and the new contract.

Chief Fraitzl commented that dispatch is running 100 calls ahead of last year and are projected at 700 calls. He indicated that the call volume also has an impact on the dispatch contract.

Mr. Brown indicated everyone receives a performance review, which was effective July 1. The Board of Selectmen select a maximum amount for the reward. He noted this year it is 3%, which means employees can receive an increase from 0% to 3% and those at the maximum pay rate do not receive an increase.

Mrs. Couture commented this budget is a calendar year budget and raises are distributed July 1. She asked if the \$15,000 (total of wage increases) covers the 3% increase.

Chief Fraitzl indicated that there are incentives for advanced certifications and this is in addition to their base rate.

Mrs. Couture asked if the on call firefighters' stipend is in addition to answering calls. Chief Fraitzl indicated that the on call firefighters are paid hourly and the stipend is paid only if they can be available within 15 minutes of answering the call and is applicable only to supervisory personnel.

Chief Fraitzl indicated the Fire Inspector's position was increased by two weeks due to having more duties; smaller increases are in relation to training costs. He noted that with regard to the new fire station, the town is responsible for the electricity and heating of the new fire station once it is enclosed. Electricity for the existing fire station has been moved to Government Facilities. He indicated there is nothing allocated for the existing building in this budget.

Mrs. Douglas suggested reconsidering the estimate on water costs because all uniforms will be washed at the station, vehicles will be washed at the station and the number seems low.

Chief Fraitzl indicated there is a minor increase in maintenance and cleaning supplies.

Mrs. Couture asked if septic cleaning and floor drain cleaning lines will be necessary in 2019 in light of a new fire station.

Chief Fraitzl indicated that both could be filled in a year.

Mrs. Douglas asked if there is a Clerk of the Works. She suggested the one-time cost to oversee the construction of the new station could be split so the cost is not lost. She asked if the \$5,000 budgeted is for the project or an additional fee.

Mr. Brunelle indicated it is being budgeted for the Fire Chief because he is overseeing the construction project. Mr. Brown noted it will be paid upon completion of the project.

Mr. Hodgkins asked if the increase in the Chief's salary is set.

Mr. Brown indicated it is set and approved by the Board of Selectmen. He explained that the town completed a comprehensive survey of other towns in terms of salary for Fire Chief. He offered to share the results with the Budget Committee.

Mrs. Douglas commented the salary reflects an increase of 21% excluding the \$5,000 stipend for overseeing the new fire station project. She asked to see the entire cost of the package.

Mr. Brown indicated there were some reductions in benefits as well.

Mr. Hodgkins asked if the salary comparison included consideration for a 24 hour position or a 40 hour position. Mr. Brown indicated that information will be included in the salary survey notes.

Mr. Hodgkins commented the salary seems somewhat excessive for a 24 hour position. Mr. Brown commented that an argument can be made that the position is grossly underpaid. He noted the position itself is not meeting the market wages.

Mrs. Couture asked about current expenditures in equipment repairs and maintenance compared to what is budgeted. Chief Fraitzl indicated that can be deceiving when looked at the current budget expenditures.

Mrs. Douglas asked when the town will look at truck replacement. Mr. Brunelle indicated that the trucks are aging out, but there is a plan. Mr. Brown commented truck replacement will have to be done by a lease purchase over 5-7 years.

Chief Fraitzl commented the average life expectancy of a fire truck is 20 year from an insurance services standpoint. He indicated after 20 years a truck would be considered a reserve truck by those insurance standards. He explained that he could not recommend purchasing a custom fire truck over the last few years knowing the existing fire station did not have the space. Chief Fraitzl commented they have done all that can be done to prolong the longevity of the current vehicles. He indicated, in light of the cost of the new station on the taxpayers, it will be at least one year before a fire truck purchase is proposed.

Mrs. Douglas suggested putting 5% away for 5 years to pay for a lease purchase. Mrs. Couture indicated that the town can consider an article for a revolving fund for that purpose.

Mr. Brown indicated each year there will be three or four articles to address capital needs using unassigned fund balance. He explained there are many tools that can be used to finance large items, but a lease purchase is best because you are still taxing the homeowners with reserve funds.

Mrs. Couture commented that from a municipality viewpoint it makes sense to tax the people who will benefit from the purchase.

Mrs. Douglas commented she would rather have money put into a reserve fund for the purchase and interest can be compounded. She indicated that, philosophically, she does not support a lease purchase.

Mr. Brown commented that we have to pick and choose what we can afford and what we can finance.

Mr. Whitnell commented it is not fair to tax people on a fund over 5 or 10 years.

Mrs. Douglas commented it is wrong from a fiscal point of view and if we planned ahead we would have had the money for a purchase.

Mr. Brown commented that he agrees cash is the best way to pay for anything if you can afford to do that.

Mrs. Douglas asked how many cameras and masks are needed by the department. Chief Fraitzl explained as technology changes those tools are necessary for visibility in a fire. He indicated every firefighter is issued a mask with one spare per truck. He estimated that there should be 40 masks.

Mrs. Douglas asked for clarification of the cost for pre-employment physicals. Chief Fraitzl indicated they cost \$800 each.

Mrs. Douglas asked why repair hours have increased. Chief Fraitzl indicated that the fire trucks are 25 years old and older and the person who repairs the vehicles is an employee who saves the department money in comparison to bringing the truck to a repair shop.

Mrs. Couture commented that \$0 had been spent on mileage/tolls in 2016 and 2017. She indicated that she understands what is budgeted is a placeholder, but asked if \$350 is reasonable for the line if has never been spent.

Chief Fraitzl indicated that the funds have been used a number of times and is there if it is needed.

Mrs. Fordey asked about the diesel fuel decrease. Mr. Brown indicated that the town looks at actual expenditures compared to the run rate. He noted what is budgeted is based on projection.

### **Fire Hydrants**

Mr. Brown presented the 2019 Proposed Fire Hydrants budget with a bottom line total of \$483,140, which is a \$34,017 increase over 2018.

Mrs. Couture asked how often the town is billed for the hydrants. Mr. Brown indicated the town is billed quarterly. He explained that Pennichuck will not be charging the town for any additional hydrants in 2019 and that the increase in the budget is a direct cost increase of their rates.

Mrs. Douglas asked why Litchfield's rate is higher than Manchester. Mr. Brown indicated that Pennichuck is a regulated utility and Manchester runs their own water department.

### **Code Enforcement**

Mr. Brown presented the 2019 Proposed Code Enforcement budget with a bottom line total of \$100,568, which is an increase of \$17,389 over 2018.

Chief Fraitzl indicated the code enforcement position will be preserved. He noted that there is currently a review of code enforcement services.

Mrs. Couture commented \$3,000 was spent for training this year and asked for an explanation. Mr. Brown commented he would examine that and presumed that line may have been charged for something for which there is no line.

### **Emergency Management**

Mr. Brown presented the 2019 Proposed Emergency Management budget with a bottom line total of \$15,272, which is an increase of \$750 over 2018.

Chief Fraitzl indicated the only change in that budget is the addition of the annual service for the portable generator at the high school, which should be listed as a line item in the emergency management budget. He noted this was paid out of the fire department as an unbudgeted expense.

### **Health Department**

Mr. Brown presented the 2019 Proposed Health Department budget with a bottom line total of \$1,905, which is an increase of \$150 over 2018.

Chief Fraitzl indicated the only difference is training for the health officer.

Mrs. Douglas asked who is paid the stipend. Mr. Brown indicated in the past the building inspector was the health officer and now the Deputy Chief is the health officer and will receive the stipend.

### **Street Lighting**

Mr. Brown presented the 2019 Proposed Street Lighting budget with a bottom line total of \$13,000, which is a decrease of \$250 from 2018.

Mrs. Douglas suggested considering more energy saving devices. Mr. Brown indicated there is a program provided by Eversource to change over to LED lighting.

Mr. Hodgkins asked if the town pays per apparatus. Mr. Brown indicated there is a fixed fee and when the conversion to LED is completed, Eversource will not be responsible for maintenance.

### **Welfare Vendor Payments**

Mr. Brown presented the 2019 Proposed Vendor Payments (Welfare) budget with a bottom line total of \$10,000, with no change from 2018.

Mrs. Douglas asked if an expendable fund can be created for this purpose since the town does not spend all the money every year.

Mrs. Couture commented that the budget can be reduced as close as is reasonable.

### **Patriotic Purposes**

Mr. Brown presented the 2019 Proposed Patriotic Purposes budget with a bottom line total of \$1,250, with no change from 2018.

### **Conservation**

Mr. Brown presented the 2019 Proposed Conservation Commission budget with a bottom line total of \$2,398, which is a decrease of \$462 from 2018.

Mrs. Couture asked why the property management line has increased.

Mr. Brown indicated that a trail bridge is in need of repair. He noted this year there will be improvements to the Moore's Falls area, which will spend down the current budget. He commented there is a large effort to make improvement to the Birch Conservation area next year.

Mrs. Douglas asked if their reserve funds can be used for maintenance. Mr. Brown indicated that their revenue could be used for maintenance.

Mrs. Douglas indicated the warrant article expanded use of that fund and this should be part of that fund.

Mr. Brunelle indicated that fund is typically used to purchase property.

Mrs. Couture asked to research the warrant article.

Mr. Brunelle looked up the article and reported the fund was renamed and to be used in accordance with the RSA.

### **Debt Service**

Mr. Brown presented the 2019 Proposed Debt Service budget with a bottom line total of \$258,960, with an increase of 258,960 2018, which reflects the bond payment for the fire station.

### **7. MEMBER INPUT/ NEW BUSINESS**

Mrs. Couture and Mrs. Douglas welcomed Mr. Whitnell to the Budget Committee.

### **8. PUBLIC INPUT**

Elizabeth MacDonald, Naticook Avenue, (School Board member) commented on the funds that were returned to the town from the school district. She commented that the School Board and School District did not over-budget by \$600,000. She indicated that she will ask the School Board to clarify what is being returned to the taxpayers.

Mrs. Douglas commented she would like to see the fund balance prior to encumbrances.

Mrs. MacDonald indicated the information will be sent to the Budget Committee Chair.

### **9. ADJOURN**

**MOTION:** by Mrs. Douglas

*Move to adjourn the meeting.*

**SECOND:** by Mr. Hodgkins

**VOTE: 8-0-0**

**The motion carried.**

**Next meeting:           October 11, 2018**

The meeting was adjourned at 9:15 p.m.

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

**Approved:               October 25, 2018**