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**Draft Minutes of the
Litchfield Budget Committee Meeting
Held on December 13, 2018**

The Litchfield Budget Committee held a meeting on Thursday, December 13, 2018 at Litchfield Town Hall, 2 Liberty Way, Litchfield, NH 03052.

PRESENT: C Couture (Chair), K Douglas (Vice Chair), J Martin, B Hodgkins, R Meyers (School Board Representative), J Brunelle (Selectmen Representative)

Absent: J Whitnell, N Fordey, J Bourque

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

• November 15, 2018

MOTION: by Mrs. Douglas

Move to approve the November 15, 2018 minutes as amended

SECOND: by Mrs. Martin

VOTE: 6-0-0

The motion carried.

• November 29, 2018

MOTION: by Mrs. Douglas

Move to approve the November 29, 2018 minutes as amended

SECOND: by Mrs. Martin

VOTE: 5-0-1, with Mr. Brunelle abstaining

The motion carried.

4. CORRESPONDENCE

Mrs. Couture reported that the usual weekly and monthly reports were received, as well as the results of the Budget Committee votes on the school district budget and the Warrant Articles.

5. OLD BUSINESS

• Follow up of questions from last meeting

There were no questions.

6. SCHOOL BUDGET

• Status on Proposed Budget

Mrs. Couture indicated the Budget Committee took \$240,000 in reductions from the FY20 School District Proposed Budget in the areas of co-curricular salaries, athletics, salaries and

48 benefits, and special education transportation. She noted the operating budget is \$34,000 higher
49 than the default budget at this time. She commented it is almost level funded with the FY19
50 budget.

51

52 • **Warrant Articles**

53 Mrs. Couture read the School District warrant articles.

54

55 ***Article 1: 2019-2020 Operating Budget: \$22,865,428; Default Budget \$22,814,602***

56

57 Mrs. Douglas commented she will not support the article because she believes the Budget
58 Committee did not reduce it enough. She feels that the committee should not vote this evening
59 because there are members not in attendance who may want to provide input.

60

61 Mrs. Couture commented our job by law is to bring forth a budget and the Budget Committee
62 cannot “not recommend” the budget since it is our budget.

63

64 ***Article 2: Cost Items included in the Collective Bargaining Agreement between the Litchfield
65 School District and the Litchfield Education Association***

66

67 Mrs. Couture indicated that the tentative agreement has not yet been ratified. She noted that a
68 vote by the LEA is expected prior to the next meeting so the School Board can vote on the
69 contract.

70

71 ***Article 2: Cost Items included in the Collective Bargaining Agreement between the Litchfield
72 School District and the Litchfield Support Staff Association***

73

74 Mrs. Couture indicated that an agreement has not been reached and it is possible this article will
75 not come forward.

76

77 ***Article 4: Funding of a Part Time Enrichment Tutor Position at LMS - \$28,490***

78

79 Mrs. Douglas asked if the person that is hired for the enrichment tutor position only be hired for
80 enrichment. She commented there is a part time enrichment tutor at GMS who has not taught
81 enrichment for four days. She indicated that person is being used as a substitute teacher.

82

83 Mrs. Couture indicated to Mrs. Douglas that her concern with GMS would have to be taken up
84 with the building principal. She commented it can be requested from the Superintendent’s office
85 that this position is for enrichment only.

86

87 Mr. Meyers commented that Mrs. Douglas’ comments are two different discussions and should
88 be addressed accordingly.

89

90 Mrs. Couture commented Mrs. Douglas’ issue should be addressed by the principal. She noted
91 the tax impact of the article is \$0.03.

92

93

94 ***Article 5: Funding of a Part Time Math Tutor Position at LMS - \$28,490***

95

96 Mrs. Douglas asked if the students need a math tutor because they are struggling because of
97 teaching or the curriculum.

98

99 Mrs. Couture asked how these positions are impacting GMS and how do we expect them to
100 impact LMS.

101

102 Mr. Meyers indicated he will ask the School Board for responses.

103

104 ***Article 6: Creation of an Expendable Trust Fund for the Hiring of Additional Teachers***
105 ***Resulting from Unexpected Increases in Enrollment, and Raise/Appropriate***
106 ***Funds from the June 30 Fund Balance - \$75,000***

107

108 Mrs. Douglas asked about the enrollment “bubble”.

109

110 Mr. Meyers commented that the elementary school is very close.

111

112 The School Board and School District are asking to establish a fund in the event that enrollment
113 increases higher than projected and an additional teacher is needed in a particular class.

114

115 Mrs. Douglas commented she does not believe the budget is that tight and referred to the recent
116 hiring of an additional first grade teacher. She indicated this is reactionary to something that
117 happened just once.

118

119 Mrs. Couture commented she would not support the article. She indicated in FY19 there were
120 reductions of \$250,000 to the budget and yet the district was still able to bring on an additional
121 first grade teacher by reprioritizing. She recalled other incidents where the district had
122 increasing enrollment and had to reprioritize and did not need a fund for that purpose. She
123 believes there are other needs that have to be addressed before setting this money aside. Mrs.
124 Couture commented that when looking at her own enrollment projections, she does not see a
125 concern for the following year.

126

127

TOWN BUDGET

128

• **Status of Proposed Budget**

129 Mrs. Couture indicated the Budget Committee took \$32,800 of reductions from the 2019 Town
130 Proposed Budget. She commented based on the calculations of what the tax cap impact would
131 be, the proposed budget estimated tax impact will be \$0.08, which does not include the Human
132 Service Agencies article.

133

134 Mr. Brown indicated if that warrant article were added and supported the budget would be
135 approximately \$10,000 over the tax cap.

136

137

• **Warrant Articles**

138 Mrs. Couture read the 2019 Town Warrant Articles.

139

140 *Article 1: Election of Officers*

141 *Article 2: Planning Board Zoning Amendments*

142 *Article 3: Planning Board Zoning Amendments*

143

144 *Article 4: Operating Budget \$6,757,953 with tax impact of \$0.08; Default Budget \$6,713,245*

145

146 Mrs. Douglas asked how people are going to vote on the health agencies. She commented if
147 either the health agencies or the police contract are supported the budget will have to be reduced.

148

149 With regard to the health agencies article, Mr. Meyers commented that he was under the
150 impression there would be language added regarding the amounts being subject to the costs
151 Litchfield pays. He noted it seems more like a listing of charities than services.

152

153 Mr. Brunelle commented that it will be made clear at Deliberative Session to people that they
154 can modify the article.

155

156 Mrs. Douglas commented there is one agency requesting close to \$20,000, which is concerning.

157

158 Mr. Brown suggested, instead of reducing the operating budget, a number can be proposed and
159 the Board of Selectmen will appoint a committee to meet with the agencies and disperse the
160 funds. He noted the Board of Selectmen makes a decision based on how much work the
161 agencies do in the community.

162

163 Mr. Brunelle offered to present the suggestion to the Board of Selectmen for feedback.

164

165 Mr. Brown agreed. Mrs. Couture agreed the Board of Selectmen should take another look at the
166 article.

167

168 *Article 5: Police Contract Cost Items*

169 Mrs. Couture asked when the Board of Selectmen expect an answer on the contract.

170

171 Mr. Brown indicated that he expects there will be a vote on Monday night. He noted that he has
172 been advised the union ratified the contract.

173

174 Mr. Brunelle indicated the Board of Selectmen were aware of the contract, but took no action on
175 it.

176

177 *Article 7: Town Earned Time Accrual Expendable Fund - \$50,000*

178 Mr. Brown explained on an annual basis some employees are eligible to sell back some accrued
179 time to the town. He noted if an employee leaves or retires we have to pay them their earned
180 time.

181

182 Mr. Hodgkins disagreed with the methodology. He commented that does not happen in the
183 private sector and asked why that cannot be negotiated out of the contract.

184

185 Mrs. Martin commented that does occur in private industry.

186
187 Mr. Hodgkins commented he does not know how anyone can look at that and think it is okay.
188
189 Mrs. Couture indicated it is a balancing act. She noted you have to give something up to get
190 something.
191
192 Mr. Hodgkins commented it puts a strain on the town. He disagreed with employees receiving a
193 payout for not taking sick or vacation time.
194
195 Mr. Brunelle commented the Board of Selectmen have been working to clean up some of that
196 language in the contract.
197
198 Mr. Hodgkins asked if the voters understand these types of “unknown” things.
199
200 Mr. Brown explained that there are requirements by the town for employees to earn the time and
201 they have to use a certain number of days per year. He noted that we only approve a number of
202 earned time and we are working to decrease the cap. He indicated that in order to alleviate the
203 high cost of overtime, the town agreed to buyback of time, which is actually a cost saver.
204
205 Mr. Brunelle commented that we are not always fully staffed and in order to eliminate that fund
206 we would need a much larger staff.
207
208 Mrs. Douglas suggested a chart to show the hours earned and hours worked.
209
210 Mr. Hodgkins commented the town keeps bringing the article forward and asking for more
211 money for the fund.
212
213 Mr. Brunelle commented it is not just for contracted employees, but for non-contract employees
214 as well.
215
216 Mr. Brown indicated this could also be an operating cost instead of a fund, but a fund manages
217 this better.
218
219 Mr. Hodgkins commented there is a tax impact on the article because you are taking it out of the
220 general fund and putting it into this fund.
221
222 Mrs. Couture commented the liability exists whether you fund it out of the budget or put it in this
223 fund as it is an existing obligation.
224
225 Mr. Hodgkins commented that he understands the time has to be paid. He indicated that
226 taxpayers keep paying for it over and over and it is not going to change. He noted he is trying to
227 let the people who are watching the meeting know this.
228
229 Mrs. Martin commented there is always going to be earned time. She indicated it would be hard
230 pressed to see that come out of the contract. She noted if that were something that was not
231 included or removed from the contract you would not get anyone to work here. Mrs. Martin

232 commented it can be reduced, but there is always going to be earned time we will have to pay for
233 one way or the other.

234
235 Mr. Hodgkins commented people have the option to use their time and if they do not use it they
236 should lose it. He does not agree they should be paid for not using that time.

237
238 Mr. Brunelle commented that when an officer takes time off the town has to pay someone
239 overtime to cover that shift. He indicated the fund was established so that it would alleviate the
240 overtime issue.

241
242 Mr. Brown explained on an annual basis folks accrue earned time. Another benefit is to allow
243 employees on an annual basis to sell back up to 20 days of earned time. It is staggered for non-
244 union employees who can earn up to 240 hours and lose it once they hit that cap if they have not
245 used their time. If an employee leaves or retires we do pay out from this fund all the earned time
246 on the books.

247
248 Mrs. Couture pointed out in order to earn 20 days it means that employee was here long enough
249 to accrue 20 days.

250
251 Mr. Brown added there are a number of days required to use or lose each year.

252
253 ***Article 8: Establish a Technology & Community Expendable Trust Fund - \$50,000***

254
255 Mrs. Couture asked why this type of fund is needed.

256
257 Mr. Brown commented that it would be wise to have a fund in the event of a failure or
258 implementation of new equipment on a large scale basis. He indicated there is technology
259 (hardware and software) in all town facilities and department heads are concerned about the
260 communication systems in town. He noted that there is much work to be done in this area and
261 the cost could be as high as \$300,000 for communication towers in town to have better
262 communication.

263
264 Mr. Brunelle expounded that every piece of communication in this town is over 20 years old and
265 most is not replaceable. He indicated the town is trying to construct a fund to handle these
266 problems. He noted that it would be wise to purchase a system that benefits all departments. He
267 added a lot of technology has run its life course.

268
269 Mrs. Couture asked how the town got to the point where the equipment is 20 years old.

270
271 Mr. Brunelle indicated although there is a capital plan that identified that need, departments have
272 their own systems and maintain and repair it on their own.

273
274 Mrs. Douglas commented she would like to see the plan. Mrs. Couture believes a capital reserve
275 fund is needed.

276
277 Mrs. Douglas asked why not have an article that states it will be paid for over the next ten years.

278 Mrs. Couture commented that will still require a fund that will be more than \$50,000. She
279 indicated this is basically for things that occur while trying to initiate the plan.

280
281 Mr. Brown commented we have these funds to replace equipment and such in other departments.
282 He indicated this fund is simply to support the purchase and repair of technology and
283 communications.

284
285 Mrs. Douglas believes if we have a number in mind we should budget for it.

286
287 Mr. Brunelle commented that the bottom line is the town does not have an operating budget to
288 take care of technology failure. He indicated we are not at the point to bring forward a plan for
289 the solution of a new town-wide system.

290
291 ***Article 9: Land Purchase - \$90,000***

292
293 Mr. Brown indicated there is a lot on Hillcrest Road that was posted for sale this summer, which
294 abuts the Transfer/Recycling Facility and Highway Garage. He indicated purchasing this parcel
295 will allow us to improve the site distance when trucks are trying to enter and exit the highway
296 garage. He noted we have heavy duty trucks entering and exiting, as well as waste trucks all
297 week and residents entering and exiting at all times. Mr. Brown indicated this is an opportunity
298 to purchase the lot and improve the site distance. He mentioned that he has had discussions with
299 the NRPC and the NH DOT who mentioned if the town owned this land there are grants to help
300 pay for the plan and reconstruction of the property to improve the site distance. He noted it abuts
301 the highway and solid waste facility and we would have the land for future expansion.

302
303 ***Article 10: Town Flag***

304 Mr. Brown indicated this article is to seek approval for the town to adopt an official flag.

305
306 ***Article 11: Keno***

307 Mr. Brown indicated this article is to see if the voters will allow the operation of Keno within the
308 town. He commented that the town does not collect any local revenues. He noted the town was
309 approached by a business owner asking why this has not been authorized. Mr. Brown explained
310 the revenues go to the State and are disbursed back to the towns to help with kindergarten.

311
312 Mrs. Couture asked if there is any impact on police, security and traffic.

313
314 Mr. Brown indicated that question was posed on the Town Administrators' listserv and it was
315 learned people have not seen any impact in those areas.

316
317 Mr. Hodgkins asked if there is any way to change the estimated tax impact wording to a plus or
318 minus. He indicated there is still a tax impact.

319
320 Mrs. Couture explained that the wording comes from the NH Department of Revenue
321 Administration.

322
323 Mrs. Douglas commented people have to understand they have already paid taxes on it.

324
325 Mr. Brown explained the number one purpose of the unassigned fund is for cash flow. He
326 indicated the town does not borrow money in anticipation of tax money. He commented that the
327 town collects the tax money during a calendar year and it is important to understand that the
328 school department operates on a fiscal year. The town works closely with the school district to
329 schedule the disbursement of funds throughout the year. Mr. Brown indicated that a healthy
330 fund balance is necessary to fund services in the town and school district until taxes are collected
331 in July.

332
333 Mr. Hodgkins commented the town is using the money left over before returning it to the
334 taxpayers.

335
336 Mrs. Couture indicated the money goes into a fund to be used for cash flow and not offset taxes
337 right away.

338
339 Mr. Brown explained this method is to stabilize the tax rate instead of having to raise taxes.

340
341 Mr. Hodgkins asked if officials come up with ideas to use the funds instead of giving it back to
342 the people.

343
344 Mr. Brown indicated it has to be released by the authority of the people.

345
346 **7. MEMBER INPUT**

347 Mrs. Couture indicated the Budget Committee will be meeting on December 20 to receive final
348 information and to make recommendations on the warrant articles. She commented if the
349 information is not received in time to make decisions next week, they will go to the January 10
350 Budget Hearing.

351
352 **8. PUBLIC INPUT**

353 There was no public input.

354
355 **9. ADJOURN**

356 **MOTION:** by Mrs. Douglas

357 *Move to adjourn the meeting.*

358 **SECOND:** by Mrs. Martin

359 **VOTE: 6-0-0**

360 **The motion carried.**

361
362 **Next meeting: January 10, 2019 – Budget Hearing**

363
364 The meeting was adjourned at 8:40 p.m.

365
366 **Recorded by: Michele E. Flynn, Recording Secretary**

367
368 **Approved:**