

Litchfield Budget Committee  
Budget Hearing  
Town Budget

January 10, 2019

# Budget Committee Members

- Cynthia Couture – Chair
- Keri Douglas – Vice Chair
- Jennifer Bourque
- Jessica Martin
- Brion Hodgkins
- Jack Whitnell
- Nicole Fordey
- John Brunelle– Selectmen’s Representative
- Robert Meyers– School Board’s Representative

## Budget Preparation

- The budget information was presented by the Board of Selectmen representative, Town Administrator and department heads as needed over 2 weeks in October.
- Tax cap calculations limit Budget Committee recommendations on proposed expenditures.
- Decisions were made to approve Budget amounts and make any reductions at the Oct. 25<sup>th</sup> meeting

# Decision Criteria

- Consider history of actual spending of 3 previous years
- The Budget Committee had to consider the Tax Cap calculations. This meant that the proposed budget including warrant articles could not be more than \$175,000 greater than last years approved budget after calculating revenues.
- Consider the rationale for why dollars are being requested by the local officials
- Consider what was a reasonable budget to present to the voters given fixed cost increases and revenue projections.

# Town Budget Review

- The Selectmen's proposed 2019 budget is \$6,790,753 which was \$524,430 over last years approved budget.
- After Budget Committee reductions of \$32,800, the Budget is \$6,757,953.
- The Budget Committee proposed budget is \$44,703 above the current Default Budget
- The Budget Committee's proposed budget is an \$0.08 increase on tax rate due to changes in revenues and town valuation

## **ARTICLE 2 - 2019 OPERATING BUDGET**

To see if the Town will vote to raise and appropriate as an operating budget, not including appropriation by special warrant articles and other appropriations voted separately, the amounts set forth in the budget posted with the warrant or as amended by the vote of the first session, for the purposes set forth therein, totaling **\$6,757,953**. Should this article be defeated, the default budget shall be **\$6,713,245** which is the same as last year with certain adjustments required by previous action of the Town of Litchfield or by Law; or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only.

Estimated 2019 tax rate impact: **\$0.08**.

*Pending Recommendation by the Board of Selectmen (0-0-0)*

*Recommended by the Budget Committee (7-1-0)*

## Areas of Major Impact to the Budget

- Police administration – **\$84,828 increase**  
This is due to approval last year of the additional police officer.
- Information Technology - **\$10,200 increase**  
Increased internet access and equipment
- General Governmental Buildings- **\$9,100 increase**  
Estimated increases of electric and propane due to the old Fire Station, increase in cost of gas
- Fire Department - **\$44,600 increase**  
Wages, training, and overtime. Replacement of equipment due to age, malfunction, end of life. Utilities for new station. Increase in dispatch contract.
- Fire Hydrants - **\$34,017 increase**  
Increase in Pennichuck monthly costs for 249 hydrants in Litchfield
- 1<sup>st</sup> Bond Payment on Fire Station- **\$258,960 increase**

## Budget Committee changes

- Board of Selectmen \$1,200 reduction (passed 6-1-0)
- Town Clerk \$800 reduction (passed 6-1-0)
- Legal Expenses \$5,000 reduction (passed 4-3-0)
- Planning Board \$1,500 reduction (passed 6-1-0)
- General Governmental Buildings \$1,250 reduction (passed 6-1-0)
- Fire Dept. \$1,500 reduction (passed 6-1-0)
- Road Maintenance \$5,000 reduction (passed 6-1-0)
- Vendor Payments \$6,000 reduction (passed 6-1-0)
- Parks and recreation \$1,500 reduction (passed 6-1-0)
- Library \$8,000 reduction (passed 6-1-0)
- Conservation Commission \$1,000 reduction (passed 6-1-0)



## **ARTICLE 3 - POLICE CONTRACT**

To see if the Town will vote to approve the cost items for wage and related costs that have been included in the collective bargaining agreement reached between the Town of Litchfield and Council 93 of the American Federation of State, County and Municipal Employees which provides for the following increases in wages and benefits at the current staffing level and further to raise and appropriate the sum of **\$37,909** for the current fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels.

Estimated 2019 tax rate impact: **\$0.04.**

2019 - \$37,909

2020 - \$24,942

2021 - \$4,764

*Recommended by the Board of Selectmen (5-0-0)*

*Recommended by the Budget Committee (7-1-0)*

# Contract Overview

Effective April 1, 2019 to June 30, 2020 (27 months)

Year 1 (2019) - \$37,909

Year 2 (2020) - \$24,942

Year 3 (2021) - \$ 4,764

Regular Part-Time Employees change from 21 hrs to 24 hrs per week  
Part-Time Employees - New definition; clarification part-time employees not eligible for benefits

## **SALARIES**

Step increases and promotions based on performance review

Changed COLA adjustment from April 1st to July 1st

COLA 2.5% July 1, 2019

COLA 2.5% July 1, 2020

Adoption of non-union longevity payments

10+ years - \$500, 15+ years - \$750 and 20+ years - \$1,000

## Contract Overview Con't

### **EARNED TIME**

Elimination of earned time buyback for Regular Part-time employees

Maximum accrual for employees hired before April 1, 2014 reduced from 960 to 660

Maximum accrual for employees hired after April 1, 2014 reduced from 660 to 500

Maximum accrual for employees hired after April 1, 2019 reduced from 660 to 320

### **MEDICAL AND DENTAL**

Clarification Part-Time employees pay 100% of medical and dental premium costs.

Current level of Medical Stays the same effective July 1, 2018, it changed to 80% paid by Town /20% paid by employee for the HMO plan. Employees who remain on the POS plan pay 100% of the increased cost with a maximum out of pocket cap of no more than \$3,000.

## **ARTICLE 4 –**

### **HUMAN SERVICES AND HEALTH AGENCIES**

**To see if the Town will vote to raise and appropriate the sum of \$25,000 to support Human Services and Health Agencies that provide services to the Town of Litchfield. If approved, a committee consisting of the Welfare Director, Health Officer and one Resident will review funding requests and submit recommended funding amounts to the Board of Selectmen for approval.**

**Estimated 2019 tax rate impact: \$0.03.**

***Recommended by Board of Selectmen (4-0-0)***

***Recommended by Budget Committee (6-2-0)***

## **ARTICLE 5 - TOWN EARNED TIME ACCRUAL EXPENDABLE TRUST FUND**

To see if the Town will vote to raise and appropriate the sum of **\$50,000** to be placed in the Earned Time Accrual Expendable Trust Fund as previously established. This sum to come from the unassigned fund balance and no amount to be raised from taxation.

Estimated 2019 tax rate impact: **\$0.00.**

*Recommended by the Board of Selectmen (5-0-0)*

*Recommended by the Budget Committee (7-1-0)*

## **ARTICLE 6 - TECHNOLOGY & COMMUNICATION EXPENDABLE TRUST FUND**

To see if the Town will vote to establish a Technology and Communication Expendable Trust Fund per RSA 31:19-a, for the purchase and repair of technology and communication equipment and software and to raise and appropriate the sum of **\$50,000** to be placed in the fund; further to name the selectmen as agents to expend from the fund. This sum to come from the unassigned fund balance and no amount to be raised from taxation.

Estimated 2019 tax rate impact: **\$0.00.**

*Recommended by the Board of Selectmen (5-0-0)*

*Recommended by the Budget Committee (8-0-0)*

## **ARTICLE 7 - LAND PURCHASE**

To see if the Town will vote to raise and appropriate the sum of **\$90,000** to purchase a parcel of land in the Town of Litchfield described as Map 30, Lot 1 on Hillcrest Road for the purpose of making ingress and egress safety improvements to the Transfer / Recycling Facility and Highway Garage and provide for future expansion of operational needs. This sum to come from the unassigned fund balance and no amount to be raised from taxation.

Estimated 2019 tax rate impact: **\$0.00.**

*Recommended by the Board of Selectmen (5-0-0)*

*Recommended by the Budget Committee (8-0-0)*

# Tax Cap Calculation a/o 1/6/19

TAX CAP CALCULATION BASE				TAX CAP CALCULATION					
Tax Year	Prior Year Tax	Add Back Fund Balance	Tax Cap \$175k	Gross Appropriations	Less Revenues	Add Veteran's Credit	Add Overlay	Current Year Tax	Over/Under Tax Cap
<b>2019</b>	<b>\$4,207,985</b>	<b>\$0</b>	<b>\$4,382,985</b>	<b>\$6,820,862</b>	<b>\$2,627,097</b>	<b>\$133,102</b>	<b>\$50,000</b>	<b>\$4,376,867</b>	<b>-\$6,118</b>
				Article 4	2019 Budget	\$6,757,953	tax impact		
				Article 5	Police Union Contract	\$37,909	tax impact		
				Article 6	Human Services & Health	\$25,000	tax impact		
				Article 7	Earned Time Fund	\$0	no tax impact		
				Article 8	Technology Fund	\$0	no tax impact		
				Article 9	Land Purchase	\$0	no tax impact		
				Article 10	Flag	\$0	no tax impact		
				Article 11	Petition	\$0	unknown		
						<b>\$6,820,862</b>			



# Total Estimated Tax Impact

Current Tax rate	\$4.66
Operating Budget	\$0.08

\$28 estimated increase to a house valued at \$350,000

Total Proposed increase	\$0.15
New Rate	\$4.81

\$52.50 estimated increase to a house valued at \$350,000

Questions or Comments?

<b>PROPERTY VALUATION</b>	<b>2018</b>	<b>2019</b>	<b>\$ CHANGE</b>
Valuation	\$903,277,001	\$911,277,001	\$8,000,000
Per \$1000 Assessment	\$903,277	\$911,277	
<b>OPERATING BUDGET</b>	<b>2018</b>	<b>2019</b>	<b>\$ CHANGE</b>
Gross Budget	\$10,320,764	\$6,757,953	-\$3,562,811
Less Revenues	\$6,306,579	\$2,627,097	-\$3,679,482
Net Town Appropriation	\$4,014,185	\$4,130,856	\$116,671
Add War Service Credits	\$133,102	\$133,102	\$0
Add Overlay	\$60,698	\$50,000	-\$10,698
<b>Total Budget Appropriation</b>	<b>\$4,207,985</b>	<b>\$4,313,958</b>	<b>\$105,973</b>
<b>Tax Rate</b>	<b>\$4.66</b>	<b>\$4.73</b>	<b>\$0.075</b>
<b>2019 PROPOSED WARRANT ARTICLES</b>	<b>AMOUNT</b>	<b>TAX IMPACT</b>	<b>\$ CHANGE</b>
WA ART #5 - Police Union Contract	\$37,909	\$0.04	
WA ART #6 - Human Services & Health Agencies	\$25,000	\$0.03	
WA ART #7 - Town Earned Time Fund	\$50,000	\$0.00	
WA ART #8 - Technology & Communication Fund	\$50,000	\$0.00	
WA ART #9 - Land Purchase	\$90,000	\$0.00	
<b>ESTIMATED 2019 TAX RATE</b>		<b>\$4.80</b>	<b>\$0.14</b>