

**Minutes of the
Litchfield Budget Committee Meeting
Held on October 3, 2019**

The Litchfield Budget Committee held a meeting on Thursday, October 3, 2019 at Litchfield Town Hall, 2 Liberty Way, Litchfield, NH 03052.

PRESENT: K Douglas (Chair), J Bourque, J Martin, N Fordey, B Hodgkins, W Hayes, R Meyers (School Board Representative), T Brown (Town Administrator)

Absent: A Cutter, R Leary; B Hodgkins (late)

1. CALL TO ORDER

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

● **PLEDGE OF ALLEGIANCE**

2. PUBLIC INPUT

Mrs. Douglas welcomed State Representatives Ralph Boehm and Richard Lascelles.

Mr. Boehm informed the Budget Committee that the education adequacy formula will include funding stabilization grants at 100% of the original grant in FY16 and full adequacy funding for full day kindergarten students. The current funding for FY21 is \$7,045,006; the new funding for FY21 is \$8,224,106, which is an increase of \$512,359 and a one time amount of \$661,738.

Mr. Boehm indicated the current per pupil base is \$3,636 and will increase to \$5,488. Other amounts are added for students receiving free/reduced lunch, math scores and disparity formula based on total evaluation of the town divided by the number of students in the school district. He commented the new formula for adequacy aid does not include the median household income. He noted that the increased funding will be labeled as unanticipated revenue and suggested that the one time funding of \$661,738 be used for warrant articles for things that are needed in the schools.

Mr. Lascelles commented that Litchfield will be receiving almost twice as much as Londonderry.

Mrs. Douglas thanked the Representatives for bringing the information to the Budget Committee.

3. REVIEW / ACCEPTANCE OF MINUTES

● **September 26, 2019**

MOTION: by Mr. Hayes

Move to approve the minutes of September 26, 2019

SECOND: by Mrs. Martin

VOTE: 5-0-1, with Mrs. Bourque abstaining

The motion carried.

4. CORRESPONDENCE

Mrs. Douglas reported that correspondence was received in the form of email questions to the Town from the Budget Committee and responses from the Town.

5. NEW BUSINESS

There was no new business.

6. REPORTS

- **Town Business**
 - **Review of Facility Tours**
 - **Transfer Station**

Mrs. Fordey commented the tours were informative. She indicated it is nice to hear what is bringing in revenue and what is costing money.

- **Dog Kennel**

Mrs. Fordey commented the kennel was very nice, but there was no one there to provide any budget information.

- **Old Fire Station**

Mrs. Fordey commented the old station is very small, but the upstairs seems to have usable space.

Mr. Brown mentioned the Select Board will discuss use of the old fire station on their next agenda. He indicated that the common need across departments is storage. He noted the radio system is still at the old station, partly communicating with police and fire departments and the Cable Commission is still using the facility.

- **School Business**
 - **Special Election: Updated Costs**

Mrs. Douglas asked about the costs for the special election.

Mr. Meyers indicated that the district is working on the to date costs and currently sifting through the legal costs.

7. TOWN BUDGET PRESENTATION

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

Mr. Brown reported that the Town is still waiting for more information on cost items for the budget. The gross budget is an increase of \$343,000 or 5%. He made the Budget Committee aware that this is a Leap Year and there will be 53 pay periods as opposed to 52. There is one full time new position in the Highway Department proposed to implement on July 1, 2020. Mr. Brown indicated that the Select Board is waiting for the new health insurance rates, dental rates, unemployment rates, etc. before including them in the budget.

Mr. Hayes asked if there were any sense of how much the increase could be for health insurance.

Mr. Brown commented that it could be a large increase. He mentioned if the increase is 10% - 12%, the increase would be approximately \$65,000.

Mrs. Bourque asked for the rate increase from last year. Mr. Brown indicated that the increase was in the 10% range.

Sanitation

Mr. Brown presented the 2020 Proposed Sanitation budget with a bottom line total of \$427,673, which is an increase of \$19,573 over 2019. He indicated that there are increases in salaries due to our wage plan performance reviews, the Leap Year extra pay period and longevity.

Mr. Hayes commented the Facility Manager's salary increased \$3,182.40. He asked if there is a 3% cap.

Mr. Brown indicated that the extra payroll for next year is included in that amount and that the position received a 3% increase. He explained that when the increase was granted it was only granted six months in the prior year budget because of performance reviews July 1. He noted this represents the full year with longevity and the extra week's salary.

Mr. Hayes commented on the wages for staff and questioned the increase in the budget. He asked if additional staff have been budgeted.

Mr. Brown commented that we try to show the hours people are working and budget what the costs will be; however, some employees' hours change and differ. He explained one employee moved up a pay grade because they were not labor anymore and that was an adjustment. He mentioned the staff at the Solid Waste Department are very dedicated employees and a flexible schedule is allowed as long as the facilities needs are met.

Mr. Hayes asked if it is likely all of that budget will be used as it appears that less is projected to be spent in 2019.

Mr. Brown commented we are looking forward 12 months and spent time going through each employee's hours to budget. He indicated that there could be an uptick in hours subject to the winter months.

Board of Selectmen

Mr. Brown presented the 2020 Proposed Board of Selectmen's budget with a bottom line total of \$130,200, which is an increase of \$7,565 over 2019. He indicated that increases include the Town Administrator's salary, Selectmen's Expenses (employee retirement gifts, volunteer plaques, flowers, etc.), and clerical support for board and committee meetings. He added background checks need to be completed on approximately six employees, which includes a driving record check, criminal records check and financial records check.

Town Meeting

Mr. Brown presented the 2020 Proposed Town Meeting budget with a bottom line total of \$20,744, which is an increase of \$10,241 over 2019. He indicated this covers all election costs. He explained this year we have five elections and there will be an increase in programming for the election machine and the cost to print ballots.

Mrs. Douglas asked why there is money budget under special meeting for wages.

Mr. Brown indicated in the event there is a special meeting in the town, such as PFOA meetings.

Town Clerk

Mr. Brown presented the 2020 Proposed Town Clerk's budget with a bottom line total of \$114,500, which is an increase of \$4,307 over 2019. He mentioned that the Town Clerk salary reflects 50% under Town Clerk and 50% under Tax Collector.

Mr. Hayes commented the increase in wages appears higher.

Mr. Brown indicated all non-union position increases were capped at 3%. He mentioned that there is longevity included for one employee and the extra payroll is included as well.

Accounting

Mr. Brown presented the 2020 Proposed Accounting budget with a bottom line total of \$265,441, which is an increase of \$8,618 over 2019. He noted the only increase in this budget is wages.

Mrs. Martin commented asked if there is a way to reduce the number of trips to the bank to make deposits.

Mr. Brown indicated that State laws require the Tax Collector to make deposits with a specific amount in cash and we have no way of securing cash in the building. He noted it is the Select Board's policy that all cash receipts are deposited on a daily basis.

Committee members mentioned electronic deposits. Mr. Brown indicated he will speak to the finance manager and TD Bank to see what options may fit.

Tax Collection

Mr. Brown presented the 2020 Proposed Tax Collection budget with a bottom line total of \$114,047, which is an increase of \$3,854 over 2019. He indicated that there are increases in wages and software.

General Government Facilities

Mr. Brown presented the 2020 Proposed General Government Facilities budget with a bottom line total of \$106,470, which is an increase of \$4,884 over 2019. He indicated the amount of

money that was budgeted in the County Prison Community Service Program has been moved to Building Maintenance and Repair since the prison program has been discontinued. He recommended establishing a line item of \$8,000 as there are several older building repairs. Mr. Brown noted there is a new line item for Trash Container Services, which was recommended by MRI because we should not be using town vehicles to transport trash containers. He indicated the cost is fixed and the containers are dumped twice per month.

Mrs. Bourque asked if we should expect this level of repair each year for buildings and maintenance.

Mr. Brown commented that he would like to believe this account will be level funded next year, but it is irresponsible to level fund every year when the town is taking on more buildings that need repair and maintenance.

Ambulance

Mr. Brown presented the 2020 Proposed Ambulance budget with a bottom line total of \$67,600, which is level funded.

Mrs. Douglas mentioned that it appears the Town is over budget for bad debt.

Mr. Brown explained we are obligated to pay the Town of Hudson for the bad debt. He indicated that he has had quarterly meetings with the Fire Chief, Town Administrator, Finance Manager and third party vendor to coordinate and monitor the debt. He explained we have funds we raise for the bad debt which we use first toward that debt and we have a revolving fund to use if extra is needed. He noted every time we pay a bad debt we turn it over to a collections agency.

Fire Administration

Mr. Brown presented the 2020 Proposed Fire budget with a bottom line total of \$682,336, which is an \$11,464 increase over 2019.

Chief Fraitzl mentioned the following contributors to the budget:

- On Call Staff: everyone is paid differently based on time and credentials
- Full Time Staff: is a fixed number
- Training Wages: based on an average of \$19 per hour based on the number of trainings
- EMS Wages: based on the level of certification for required time and trainings
- Short Term Accident Policy: 3 year policy ending in 2020; will increase \$115 in 2020
- Software Contracts: demoed a new program to take audio dispatching and text it as a wav. file
- Instructure Services: increased
- Electricity: decreased based on to date average
- Heating: unknown as there is no real history to base this on
- Water: based on actual usage at \$160 per month for the fire sprinkler meter; Domestic meter \$225 per month

- Repairs / Maintenance: reflects all systems in the fire station which will need to be serviced and inspected in 2020
 - Point of Maintenance: the exhaust system is larger in the new station
 - Fire Alarm System: more complex and covering a larger area
 - Sprinkler System: did not have one in the old station
 - Overhead Door System: larger doors and bigger motors
 - Kitchen Exhaust System: did not have one in the old station
 - Biohazard and Floor Drain Tanks have to be pumped
- Equipment Repair/Maintenance: decrease because we will be replacing the airbags this year and not in 2020
 - We will piggyback with Londonderry to test our ladders and hoses
- Dress Uniforms: tried to implement a program each year and the association has an interest in matching funds for the dress uniforms.

Mrs. Douglas asked how the police department got their dress uniforms.

Mr. Brown indicated they were able to get a private donation. He pointed out the uniforms were for the Honor Guard.

Chief Fraitzl continued with the 2020 Fire Budget:

- Protective Gear: increase annually
- Equipment Purchase: decrease due to switching to newer cameras which cost less
- Equipment Leases include copier and fax based on usage
- Mileage/Tolls: personal vehicles are used occasionally, but not often
- Certification Programs: reflect the cost of programs through the Fire Academy and EMS.

Mrs. Fordey asked if the Fire Department tends to wait later in the year before spending some budget lines.

Chief Fraitzl commented that there are purchase orders on some gear and that money has not yet been expended.

Fire Hydrants

Mr. Brown presented the 2020 Proposed Fire Hydrants budget with a bottom line total of \$463,754, which is \$19,386 less than 2019. He explained that for the past recent years additional hydrants were included and the recoupment cost for the PUC (Public Utilities Commission).

Mr. Hayes asked if this is just for maintaining the hydrants.

Mr. Brown clarified it is not just for maintenance, but a factor capacity. He explained Pennichuck is obligated to ensure they can produce that capacity and the PUC sets that rate.

Chief Fraitzl commented we are not just talking about fires. He indicated Pennichuck has to provide a certain capacity flow of water for their franchise area that includes homes, businesses, etc., which is all part of their maintenance.

Mr. Hayes asked about the maintenance and the fee.

Chief Fraitzl commented from a hydrant standpoint, they maintain plowing the hydrants to be accessible and they work and flow test them on a set cycle.

Mr. Hayes asked if there is a charge for water use.

Chief Fraitzl indicated we do not pay for usage.

Mr. Hayes asked how many hydrants there are in Litchfield.

Mr. Brown indicated there are 249 hydrants in Litchfield.

Chief Fraitzl added the maintenance and fee includes capital infrastructure and underground piping.

Code Enforcement

Mr. Brown presented the 2020 Proposed Code Enforcement budget with a bottom line total of \$96,138, which is \$4,543 less than 2019.

Chief Fraitzl explained there is a decrease in wage for the inspector because the new inspector does not have enough experience. He indicated included in the budget are dues, licenses and subscriptions. He referred to the line item that includes the electronic records management program and pointed out that the amount budgeted may not be enough and could be adjusted at a later date. He noted that MRI recommended ICC certifications and other required training that is included in the budget.

Mrs. Douglas asked if we invest that money into this inspector there is no requirement of a commitment to remain in Litchfield. Mr. Brown indicated there is no requirement for a retention commitment.

Chief Fraitzl believes there will not be a concern in that area with this employee as he was involved in the hiring process.

Mrs. Fordey commented that this department is budgeted as if it were fully staffed. She asked if funds not spent will go back into the general fund.

Mr. Brown commented all unexpended funds are considered surplus and go toward the unassigned fund balance. He noted there could be lines in other departments that may be exceeded that may decrease that surplus.

Emergency Management

Mr. Brown presented the 2020 Proposed Emergency Management budget with a bottom line total of \$15,977, which is a \$705 increase over 2019.

Chief Fraitzl indicated the change is an increase in dues for the Hazmat Regional District.

Health Department

Mr. Brown presented the 2020 Proposed Health Department budget with a bottom line total of \$2,030, which is a \$125 increase over 2019.

Chief Fraitzl indicated there is a small increase in water analysis to test for E. coli at Darrah Pond.

Street Lighting

Mr. Brown presented the 2020 Proposed Street Lighting budget with a bottom line total of \$13,350, which is a \$350 increase over 2019. He indicated that he has tracked the last two years of actual expenses and the run rate and the total budgeted is an average over three years of actuals.

Welfare Vendor Payments

Mr. Brown presented the 2020 Proposed Vendor Payments (Welfare) budget with a bottom line total of \$9,500, which is a \$5,500 increase over 2019. He explained this budget was reduced by the Budget Committee for the last two years. He indicated he prepared this budget with concerns about individuals with housing needs. He explained if we have a situation and someone is eligible we are required to make those payments. Mr. Brown noted that the town has been very fortunate lately, but with homeless shelters limiting beds for the upcoming winter, he expects to see an uptick in demand for these types of services. He indicated sometimes he can find an alternate agency that may be able to help, but that is not guaranteed.

Mrs. Douglas commented that she does not like the way this budget is funded and the actuals are significantly less. She asked if it is possible to set aside a pool of money to replenish this budget when needed instead of budgeting each year and taxing for it.

Mr. Brown commented that could be a good use for an expendable fund. He offered to speak to the Select Board regarding the possibility of creating a fund for that purpose.

Patriotic Purposes

Mr. Brown presented the 2020 Proposed Patriotic Purposes budget with a bottom line total of \$1,500, which is an increase of \$250 over 2019. He explained this budget is primarily used for Memorial Day, but historically it has been costing a bit more than what was budgeted. He noted this account is also used for the upkeep of flags.

Conservation

Mr. Brown presented the 2020 Proposed Conservation Commission budget with a bottom line total of \$3,398, which is an increase of \$2,000. He explained the increase in property management has been requested because they would like to spend more on the maintenance of trails and signage. He noted the group is becoming very active in cleaning up the trails and installing more signage. He indicated they would also like to purchase tools to do that work. Mrs. Douglas indicated that there was a warrant article that was approved in recent years to expand the use of that fund for maintenance.

Mr. Brown indicated they do not want to use that fund for maintenance because they want to purchase conservation land.

Mrs. Douglas commented that is not what the voters approved. She indicated she was not opposed to it, but she feels there are other funding mechanisms available and those should be considered first.

Mr. Brown commented there is some volunteer effort, but they do not have the equipment to do the work.

Mrs. Martin asked for the total that is in the fund. Mr. Brown indicated there is approximately \$500,000 in the fund.

Mrs. Douglas asked if there are any expectations to purchase any land. Mr. Brown indicated he will get that information.

Debt Service

Mr. Brown presented the 2020 Proposed Debt Service budget with a bottom line total of \$259,429, which is the total for the new fire station bond payment.

Mrs. Douglas commented any questions from Committee members for Mr. Brown should be forwarded to her and she will provide those questions to Mr. Brown.

Mrs. Bourque asked about information on the tax cap.

Mr. Brown indicated he does not have that information at this time. He noted that without the tax rate being set it would be difficult to estimate a tax cap.

Mrs. Bourque commented it may be helpful for the total Committee to know which salary lines are contractually made and which are not.

Mr. Brown indicated primarily police, communications, fire chief and town administrator.

8. MEMBER INPUT/ NEW BUSINESS

Mr. Meyers commented that there will be an update on year end reports for the next meeting and the October 1 enrollment will be sent to the Committee.

Mrs. Fordey asked about Deliberative Session held on October 1.

Mrs. Bourque indicated it was uneventful and seemed to go well.

Mrs. Douglas mentioned that she has been in contact with Dr. Jette about touring the schools. She indicated he suggested daytime visits so Committee members will have a better visual of the school. She asked for member availability for the week of October 21.

A majority of members indicated they could be available on October 21 and it would be helpful if they could tour all three schools on that day.

9. PUBLIC INPUT

Mrs. Douglas announced that Mr. Cutter requested a letter he sent to Mrs. Douglas and Mr. Webber, Select Board Chair, be read in public input.

Mr. Cutter made the following statements in his letter:

He was upset at the comments Mr. Hodgkins made on social media on September 26. Recently the Committee discussed facility tours and priorities the Select Board may include in this year's budget, as well as School Board Capital Planning Committee objectives. It is clear due to the growth in the town coupled with the aging infrastructure, now is the time for action to prepare a fiscally responsible plan the town can support. He personally made a formal call to action directly to the Select Board and School Board to see an advisory or similar type warrant article in March 2020 presented to the voters to advise the town of the desire to put forth a warrant in March 2021 with a town and school wide infrastructure plan that can be executed over a phased period of time to minimize tax increase burden.

The action taken by Mr. Hodgkins on social media is counterproductive and uncalled for. If Mr. Hodgkins disagrees with review of budgetary matters, such as the terms of the Teachers Contract, there is ample time for this discussion to occur during our committee meetings. Committee members are elected to share thoughts during our meetings so we can have a healthy and productive debate as a committee. He holds all elected members, including himself, to a higher standard. Mr. Cutter feels that the posts on social media were disturbing and inappropriate and grounds for dismissal from the Committee.

Mr. Hodgkins commented that he does not answer to Mr. Cutter. He stated that if Mr. Cutter has a difference of opinion he should confront Mr. Hodgkins instead of writing a letter. He indicated that his personal statements were voiced on social media as he did not want to use this forum to voice his opinion. He feels that it is not grounds for dismissal from the Committee.

Mrs. Bourque commented that Mr. Cutter is trying to say we should hold ourselves to higher standards. She believes that it would be a different situation if Mr. Hodgkins had posted the comments on his own personal Facebook page. She agrees that it is inappropriate to make those comments in a Litchfield forum.

Mr. Hodgkins believes what he posts on a social site has nothing to do with the Committee.

Mrs. Douglas asked that Committee members try to use language that is appropriate. She believes he is entitled to his opinion, but that there is a more productive way to express that opinion.

Mr. Hodgkins asked why the letter was read at this meeting.

Mrs. Bourque indicated any member can submit a letter and request to have it read in public.

Mrs. Douglas explained that Mr. Cutter did not like the message the statements sent. She indicated it is still a reflection of the Committee itself. She noted to keep in mind that a member's language is associated with their position.

Mr. Hodgkins commented he did not use that language here; he used it on an external site.

Mrs. Douglas commented if people see you posting immediately after a meeting they associate it with the Committee.

Mr. Hodgkins indicated he did not post as a Budget Committee member and there is nothing anyone can do about it.

Mrs. Bourque asked if Mr. Hodgkins feels strongly about something to talk about it at the meetings and give members an opportunity to have a healthy debate.

Mr. Hodgkins commented he wanted other people to know what is coming because they do not watch these meetings.

Mrs. Bourque commented posting statements on your own beliefs and then stating you know what is coming down the pipeline can be construed as acting on behalf of the Budget Committee.

Mrs. Douglas commented her job as Chair is to report decorum at all times according to the bylaws. She indicated if a member is upset about business that transpires at a meeting and posts about it after the meeting, it gives people the wrong impression. She recommended discussing in the meeting forum in a calm manner. She noted even though you posted as a member of the public you did not delineate it and people associate it with this Committee.

Mr. Hodgkins commented that is trying to censor how he speaks. He indicated whether we agree or disagree no one has the right to those rights away.

Mrs. Douglas ended the discussion.

Mrs. Fordey commented that brings up a larger conversation about how we use social media for all Budget Committee members.

10. ADJOURN

MOTION: by Mr. Hayes

Move to adjourn the meeting.

SECOND: by Mr. Meyers

VOTE: 7-0-0

The motion carried.

Next meeting: October 10, 2020

The meeting was adjourned at 9:40 p.m.

Recorded by: Michele E. Flynn, Recording Secretary

Approved: