

**Minutes of the  
Litchfield Budget Committee Meeting  
Held on January 2, 2020**

The Litchfield Budget Committee held a meeting on Thursday, January 2, 2020 at Litchfield Town Hall, 2 Liberty Way, Litchfield, NH 03052.

**PRESENT:** K Douglas (Chair), A Cutter (Vice Chair), J Bourque, J Martin, N Fordey, B Hodgkins, W Hayes, R Leary (Selectmen's Representative), R Meyers (School Board Representative)

Absent:

**1. CALL TO ORDER**

Mrs. Douglas called the meeting to order at 7:05 p.m.

● **PLEDGE OF ALLEGIANCE**

**2. PUBLIC INPUT**

There was no public input.

**3. REVIEW / ACCEPTANCE OF MINUTES**

● **December 12, 2019**

**MOTION:** by Mr. Cutter

*Move to approve the minutes of December 12, 2019 as amended*

**SECOND:** by Mr. Hayes

**VOTE: 8-0-1, with Mrs. Bourque abstaining**

**The motion carried.**

● **December 19, 2019**

The December 19, 2019 minutes were tabled until the next meeting.

**4. CORRESPONDENCE**

Mrs. Douglas announced the following items were received: correspondence from Betty Vaughn that the Budget Committee is reducing the district budget too much with concerns regarding building maintenance needs, special education needs, and the use of the one time infrastructure grant from the State.

Mrs. Douglas disclosed that some Committee members responded to Mrs. Vaughn's email correspondence and submitted their responses for the record. With reference to the additional funding for education, she noted that adequacy aid is used for education and to offset the budget. She indicated the one time infrastructure funds are not under the purview of the Budget Committee and will be considered by the District, School Board and Capital Planning Committee.

Mrs. Douglas referred to comments by Mrs. Vaughn regarding building maintenance and special education needs, and suggested reaching out to the Budget Committee with those concerns.

Mrs. Douglas indicated other correspondence included distribution of the Library information, weekly reports and minutes.

## **5. SCHOOL DISTRICT**

- **Presentation of Warrant Articles**

Dr. Jette reported that the warrant articles are not yet finalized as the School Board will not be voting their recommendations until January 8. He indicated they will be brought to the Budget Committee on January 9.

- **Updates to Proposed Budget**

Dr. Jette indicated the Administrative Team is still meeting on the budget reductions and allocations. He noted the district will provide an update on the budget on January 9.

Dr. Jette spoke to the level of district reaction at the previous meeting to the Budget Committee reductions. He explained that the emotion exhibited was not surprise, but frustration over the depth of those reductions. He commented given the significant time spent developing the budget, it was unknown how the Committee would vote even with the review of Mr. Cutter's analysis on the FY21 budget. Dr. Jette indicated that the Committee cut very deep into the budget and there are concerns about operation of the budget with such tight margins. He noted that the deep cuts will most certainly impact other areas of the program.

Dr. Jette commented that the district sees the unknowns the Budget Committee may not see and that is the emotion that was seen and heard. He indicated that a responsible budget was developed and he wants to make it clear that the emotion exhibited was not surprise, but frustration and passion.

- **Default Budget**

Dr. Jette reported that the FY21 Default budget has not been finalized at this time. He indicated the Default budget should be finalized by January 8 for School Board review and approval and will be provided for the Budget Committee following such action.

- **LSSA Contract**

Dr. Jette mentioned that Joyce Wilcox and Darlene Gymziak, who negotiated the tentative agreement, were in attendance to answer any questions. He indicated the LSSA did not have a contract last year and opened negotiations to come to an agreement. The agreement covers paraprofessionals, administrative assistants, custodians, monitors and food service employees who work hard and adapt to changes in operations and job descriptions. Each group has its challenges and rise to those challenges to serve our students and their needs. Dr. Jette asked Committee members to keep in mind many of the support staff live in Litchfield. He noted that the goal was to develop an agreement that will retain the staff and is fair.

Dr. Jette reported the LSSA ratified the 2 year agreement and the School Board has voted tonight to ratify the agreement as well. He indicated the LSSA Collective Bargaining Agreement will be placed on the ballot for voting in March 2020. He reviewed the contract parameters and cost:

- Year 1: Cost: \$68,961 (Salaries - 3% Step increase) less insurance savings of \$1,440 for a total Year 1 cost of \$67,521

- Year 2: Cost: \$71,567 (Salaries - 3% Step increase) less insurance savings of \$27,190 for a total Year 2 cost of \$44,377
- Year 1 Insurance Savings: keep Green Plan (HMO) but reduce district cost share from 80.5% to 80%
- Year 2 Insurance Savings: moving eligible employees to Yellow Plan
  - Yellow Plan with Choice - district pays 88%
  - Yellow Plan w/o Choice - district pays 90%

Total contract cost over two years: \$111,898.

Mrs. Bourque asked how many employees are in the group.

Dr. Jette indicated approximately 110, but not all 110 are eligible for insurance. He noted only full time employees are eligible for insurance.

Mr. Cutter asked why the support staff contract is two years and the teachers' contract is three years.

Dr. Jette indicated that the switch to the Yellow plan was a major concession and caused some concern. He added it was difficult to assess that two years out. He noted that the last LSSA contract expired June 30, 2019.

Mr. Cutter asked if any salaries will be retroactive.

Dr. Jette indicated there are no retroactive salaries included and the contract, if approved by the voters, will go into effect July 1, 2020.

Mrs. Douglas asked for a copy of the wage schedules. Dr. Jette indicated he will email them to the Chair.

Mr. Jette requested the Chair open the floor to Member Input so that district staff can leave prior to the Committee's deliberation on Town warrant articles.

Mrs. Douglas opened the floor to Member Input.

Mr. Cutter commented that final voting on the school budget will occur on January 9, but could likely occur on January 16 after the budget hearing. He requested opening the discussion on January 9 with regard to the funds for the additional kindergarten positions and classroom that remain in the current budget. He indicated there were motions by the Chair to remove approximately \$25,000 that are related to the additional kindergarten classroom and to include them in the warrant article with the additional kindergarten staff positions; however, the funds for the furnishings remain in the budget.

Mrs. Douglas suggested, in fairness to the district, that administrators and staff members affected by this discussion be present at the meeting on January 9.

Dr. Jette confirmed the Administrative Team will attend on January 9. He expressed concern with regard to the warrant article for the kindergarten positions that if the amount requested in the article gets much larger, the more likely it will not be approved by the voters. He indicated if the Budget Committee voted unanimously to support the article, it may help the chances of approval. He mentioned that if it is removed from the budget and we do not put it in the warrant article, that will be the year when we will need it.

Mrs. Bourque expressed she is not in favor of having the position on a separate article as the position is based on enrollment and should be included in the budget. She commented if the majority of the Committee supports the position on a warrant article, she encouraged the district to identify where there is a need to add funds back into the budget responsibly so the district is not in a bind should the position be necessary.

Mrs. Douglas commented from a logistical point of view, it made sense to encompass all the costs in one article. She did not guarantee the Budget Committee recommendation vote would be unanimous.

Dr. Jette commented as we broaden the scope of the article, it began as a kindergarten staffing article and now is becoming a staffing, supplies, furnishings article and becoming slushy. He indicated that we will work with the School Board with regard to what this article is turning into and what they want to present to the voters.

Mrs. Fordey spoke to the two larger reductions of \$30,000 to Transportation and \$20,000 to Supplies. She felt the conversation could have been more robust and that the explanation for the increase could have been explained in more depth. She indicated that she understands the reduction of associated costs with the additional kindergarten classroom, but indicated it is a bottom line budget and has been reduced enough. She believes the budget will not support another reduction. She requested more information on the items mentioned in order to add funds back into the budget.

Mrs. Douglas suggested Mrs. Fordey send an email to request additional information.

Mr. Leary asked if the discussion is referencing removing the kindergarten teacher, custodian and grade 3 teacher from the budget and putting it on the warrant article.

Dr. Jette indicated that the discussion is just about the kindergarten teacher and paraprofessional.

Mr. Leary indicated he is having a difficult time supporting new positions in the budget.

Mr. Meyers indicated these are not new positions and there is a difference between the district and town employees.

Mrs. Douglas explained that there are currently 5 teachers for grade 2, which will move forward to grade 3 in the fall. She indicated that there will be 5 classes for grade 3 and 5 teachers will be required.

Dr. Jette explained that the district had the high school custodian position, but because revenues had been reduced, that position was not filled. He indicated that CHS is short staffed and there is much work to do. He noted that the high school is a heavily used building and is beginning to show signs of age. Dr. Jette commented the custodian position is not an additional position, rather, we are restoring staff to its original level.

Mrs. Douglas commented that is the decision of the School Board to make.

Mr. Leary indicated that his opinion is to put the positions on the warrant.

Mr. Meyers commented if we put teachers on the ballot and there is an increase in enrollment and the warrant article fails, we will end up with high numbers in classrooms.

Mrs. Fordey commented that the Committee already voted on the removal of the custodian position and it failed. She indicated that the Committee should move on.

Mr. Hodgkins commented this is the forum to discuss these issues.

Mrs. Fordey commented we are having the same discussion for a third time.

Mrs. Douglas attempted to redirect the Committee as she felt they were having two different conversations.

## **6. TOWN BUDGET UPDATES**

### **• Status of Tax Cap**

Mr. Brown reported the Select Board met this evening to take action on warrant articles. He indicated the Select Board reconsidered Warrant Article 4, Public Safety Communication System Lease Purchase. Different options were discussed and the Select Board decided to defer the first year's payment so that the first payment of the lease purchase does not occur until 2021. Mr. Brown indicated that increases the payments from \$147,474 to \$151,411. He noted we are still \$2,621 below the tax cap.

Mr. Brown additionally reported the Select Board reduced Article 6, Health and Human Services, from \$25,000 to \$15,000; and reduced Article 8, Darrah Pond Treatment, from \$35,000 to \$30,000. He reported that there was a request from the Library Trustees to reconsider their allocation for the health insurance buyout and add \$1,296 to the budget. He reminded the Committee that there is also still a request from the Conservation Commission to add back

Mr. Cutter commented if we add back those amounts we will be over the tax cap.

Mrs. Bourque commented on Article 4, Communication System Lease Purchase. She indicated if the article is approved there will be no tax impact his year, but there will be a tax impact next year. She indicated that it feels like a "shell game".

Mr. Hodgkins commented they made the change so the Budget Committee will recommend the article because there is no impact in the first year.

Mr. Brown commented that there is nothing deceitful in the Select Board's actions, and we have listed and identified in the article the impact in future years.

Mrs. Douglas asked if tax rate impact numbers can be disclosed on each year based on the 2020 budget numbers.

Mrs. Bourque suggested consideration of the purchase over a longer period of time.

Mr. Brown indicated that an extended term was considered, but the Select Board did not agree with paying the extra cost of interest. He explained we are looking at capital needs in the near future and the more we stretch it out, the larger the financial complications will be going forward. He noted there is not capital reserve to tap into and we cannot use the unassigned fund balance as we are already using \$200,000 to fund four articles and we do not foresee using the unassigned fund balance much next year. He cautioned that the Town is being careful not to lose the equity of the fund balance.

Mrs. Fordey asked about the compounded interest. Mr. Brown indicated it is approximately \$20,000.

Mr. Leary added the 10 year lease purchase term would have cost approximately \$70,000 in interest and considering the town and school district will have needs in future years, we are trying to balance the budget to be sure the money is there to fill those needs.

Mr. Brown commented the Select Board was concerned about presenting a budget that meets or is below the tax cap, which is what they have done. He noted they put together a package that meets the tax cap, the budgetary needs and the capital needs of the town.

Mr. Cutter commented that in speaking about the needs of the town and the importance of the communications system, why is this not a point of discussion for the Capital Improvement Planning Committee.

Mr. Brown indicated there was much conversation regarding the project at the last meeting. He deferred to Mr. Brunelle for more information.

Mr. Brunelle commented that it took four or five years to come up with the requirements for the communication system, which has been part of the Capital Improvement Plan in years past. He indicated that the challenge for the last year or so was what it would cost, which took two years to put together. He noted all the departments are working together. He added that the Select Board tried to create a fund to pay for the system, which did not come to fruition.

Mrs. Douglas asked since the Capital Improvement Committee is forming this month, if there is danger to waiting to bring the system forward next year.

Mr. Brunelle indicated the danger is that the current communication system will fail and there is no way to repair it in the interim due to its age. He noted that it cost approximately \$10,000 to keep it functional this year and every weekend he has to do something to keep it working. He explained from the time we get voter approval of the article, it will take seven months to get it

constructed and working. Mr. Brunelle mentioned that the town is looking to include the schools in the project as well. He commented there are many communication gaps in the town for emergency responders and if we do nothing we could have a critical failure this year.

Mr. Cutter asked if we get a new school or police station in the next five years will the system be compatible.

Mr. Brunelle indicated the current system will not be compatible, but the new system will be compatible. He noted there will be no impact to existing towers, but we need additional towers in different areas.

Mr. Brown commented a good portion of this project was originally included in the fire station bond proposal, but was removed.

Mr. Brunelle mentioned the system from the old fire station needs to be moved, but the current transmitter is old and will fail.

- **Warrant Articles**

Mr. Hodgkins did not agree with the presentation of the article for the communication system. He commented if this is a priority some of the other articles should be removed.

Mrs. Fordey agreed that if this is a priority why is it being presented with the other articles.

Mrs. Fordey asked about the rationale for reducing the amount requested in Article 6, Human Services and Health Agencies.

Mr. Brown commented that \$25,000 was raised last year and all the funds were encumbered, but not all have been used (approximately \$10,000 remaining). He noted to get below the tax cap the Select Board reduced the amount of the request.

Mrs. Douglas asked if \$10,000 remains why is the amount requested not \$5,000.

Mr. Brown indicated that \$30,000 was requested last year and he believes that \$15,000 is reasonable. He noted the remaining \$10,000 has been encumbered and carried forward for this fund. He mentioned the Select Board would like to revisit the 2019 appropriation.

Mrs. Douglas asked if the amount requested in Article 7, General Assistance Expendable Trust Fund, can be reduced by the \$4,000 that is in the budget.

Mr. Brown indicated that the cost of the article cannot be changed.

Mr. Cutter suggested removing \$4,000 from the budget subject to the approval of Article 7.

Mr. Hodgkins asked if the cost requested in Article 8, Darrah Pond Treatment, will be annual.

Mr. Brown indicated it is a 3 year cost and the pond will be assessed each year to determine if the treatments were successful. He noted once money is spent to treat the pond, funds will be necessary in future years to maintain it.

Mr. Cutter commented there could be a year or two where not treatment is necessary as has occurred in years past.

Mr. Hodgkins asked about the goal for the pond. Mr. Brown indicated the goal from the Recreation Commission is to keep it a good recreational pond and preserve the asset.

Mr. Hayes asked if there are other ways to treat the pond and express concern if the chemicals are harmful to wildlife and humans.

Mr. Brown indicated there are a handful of techniques other towns have used and there is a 24 hour restriction after application for swimming and irrigation. He noted the Department of Environmental Services has approved and recommended the chemical treatment.

Mr. Cutter referred to Article 9, Old Town Hall Paint, and asked if the Select Board has considered vinyl siding or other options.

Mr. Leary indicated because of the historical significance the Select Board did not consider other options, which could potentially ruin it.

Mr. Brown indicated the goal is to preserve the building, replace the damaged clapboards and trim.

Mrs. Douglas asked about rhino shield. Mr. Leary indicated that the building has little insulation and the rhino shield will lift.

Mr. Hayes commented that it was mentioned the cost may be \$20,000, but an additional \$5,000 was added.

Mr. Brown explained that a verbal quote was received and the additional \$5,000 was added due to necessary repairs.

Mr. Hodgkins referred to Article 10, Plow Truck Purchase, and asked if the truck is as high a priority as the communication system.

Mr. Brown indicated the truck is a very high priority. He explained this will be a medium duty truck with a plow, wing and sander and will not require a CDL license to drive. He noted that it is extremely challenging for the larger trucks to clear the roads on the cul de sacs and smaller plow trucks do not have the wing necessary to appropriately clear these roads. He commented that it is understandable that it is difficult to pick and choose which articles to support, but we are trying to reach all departments and fill the needs of the town. Mr. Brown mentioned the Select Board has laid out a plan that addresses the priority needs and these needs will not go away.



**Voting on Warrant Articles**

Article 3: Full Time Highway Employee

**MOTION:** by Mr. Cutter

*Move to recommend Article 3*

**SECOND:** by Mrs. Fordey

**VOTE: 7-2-0, with Mrs. Bourque and Mr. Hodgkins opposing**  
**The motion carried.**

*Article 3 is recommended by the Budget Committee by a vote of 7-2-0.*

Article 4: Public Safety Communications System Lease Purchase

**MOTION:** by Mr. Cutter

*Move to recommend Article 4*

**SECOND:** by Mr. Hayes

**VOTE: 7-2-0, with Mrs. Bourque and Mr. Hodgkins opposing**  
**The motion carried.**

*Article 4 is recommended by the Budget Committee by a vote of 7-2-0. The Budget Committee would like to make it clear that members support the communication system, but are not in support of the way the article is written.*

Article 5: Library Earned Time Accrual Expendable Trust Fund

**MOTION:** by Mr. Cutter

*Move to recommend Article 5*

**SECOND:** by Mrs. Fordey

**VOTE: 8-1-0, with Mr. Hodgkins opposing**  
**The motion carried.**

*Article 5 is recommended by the Budget Committee by a vote of 8-1-0.*

Article 6: Human Services and Health Agencies

**MOTION:** by Mr. Cutter

*Move to recommend Article 6*

**SECOND:** by Mrs. Douglas

**VOTE: 8-1-0, with Mr. Hodgkins opposing**  
**The motion carried.**

*Article 6 is recommended by the Budget Committee by a vote of 8-1-0.*

Article 7: General Assistance Expendable Trust Fund

**MOTION:** by Mr. Cutter

*Move to reduce Account 4445.2, Vendor Payments, in the FY20 Proposed Town Budget by \$4,000, contingent upon passage of Article 7*

**SECOND:** by Mrs. Douglas

There was some confusion over the verbiage of the motion and its intent.

**MOTION:** by Mrs. Bourque

*Move to amend the motion to reduce Account 4445.2, Vendor Payments, in the FY20 Proposed Town Budget, by \$4,000 and to recommend Article 7*

**SECOND:** by Mr. Cutter

**VOTE ON THE AMENDED MOTION:** 6-3-0, with Mr. Hodgkins, Mrs. Martin and Mr. Meyers opposing

**The motion carried.**

*Article 7 is recommended by the Budget Committee by a vote of 6-3-0.*

*Account 4445.2, Vendor Payments will be reduced by \$4,000.*

Article 8: Darrah Pond Treatment

**MOTION:** by Mr. Cutter

*Move to recommend Article 8*

**SECOND:** by Mrs. Douglas

**VOTE:** 5-4-0

**The motion carried.**

*Article 8 is recommended by the Budget Committee by a vote of 5-4-0.*

Article 9: Old Town Hall Paint

**MOTION:** by Mr. Cutter

*Move to recommend Article 9*

**SECOND:** by Mrs. Bourque

**VOTE:** 6-3-0, with Mrs. Fordey, Mr. Meyers and Mr. Hodgkins opposing

**The motion carried.**

*Article 9 is recommended by the Budget Committee by a vote of 6-3-0.*

Article 10: Plow Truck Purchase

**MOTION:** by Mr. Cutter

*Move to recommend Article 10*

**SECOND:** by Mrs. Fordey

**VOTE:** 7-2-0, with Mr. Hodgkins and Mr. Meyers opposing

**The motion carried.**

*Article 10 is recommended by the Budget Committee by a vote of 7-2-0.*

Article 11: Building Systems Trust Fund (\$50,000 from unassigned fund balance)

**MOTION:** by Mr. Cutter

*Move to recommend Article 11*

**SECOND:** by Mrs. Douglas

**VOTE: 9-0-0**

**The motion carried.**

*Article 11 is recommended by the Budget Committee by a vote of 9-0-0.*

Article 12: Technology and Communication Expendable Trust Fund (\$25,000 from unassigned fund balance)

**MOTION:** by Mr. Cutter

*Move to recommend Article 12*

**SECOND:** by Mrs. Bourque

**VOTE: 9-0-0**

**The motion carried.**

*Article 12 is recommended by the Budget Committee by a vote of 9-0-0.*

Mr. Brown thanked the Budget Committee for their professionalism and respect of staff. He felt it was a good budget process this year.

- **Final Budget Voting - FY20 Town Budget**

**MOTION:** by Mrs. Bourque

*Move to add \$1,296 to Account 4550.2, Library, for the health insurance buyout*

**SECOND:** by Mr. Cutter

**VOTE: 9-0-0**

**The motion carried.**

**MOTION:** by Mrs. Douglas

*Move to add \$2,000 to Account 4611.2, Conservation Commission, for the purchase of equipment for property management*

**SECOND:** by Mr. Hodgkins

Budget Committee members inquired the total currently in the Conservation Fund. Mr. Brown indicated there is \$550,000 in the fund.

Committee members felt that the use of \$2,000 of the current fund will not hinder the Commission's ability to purchase land.

**VOTE: 0-9-0**

**The motion failed.**

Article 2: 2020 Operating Budget (\$7,064,927)

Mr. Brown indicated that with the changes made to aforementioned warrant articles and adjustments to the budget made by the Budget Committee, the total FY20 Operating Budget is \$7,064,927, which is \$2,621 under the tax cap.

**MOTION:** by Mrs. Bourque

***Move to recommend Article 2, FY20 Operating Budget, with a total of \$7,064,927***

**SECOND:** by Mr. Cutter

**VOTE: 8-1-0, with Mr. Hodgkins opposing**

**The motion carried.**

***Article 2 is recommended by the Budget Committee by a vote of 8-1-0.***

**8. MEMBER INPUT**

There was no member input.

**9. PUBLIC INPUT**

There was no public input.

**10. ADJOURN**

**MOTION:** by Mrs. Bourque

***Move to adjourn the meeting at 9:05 p.m.***

**SECOND:** by Mr. Cutter

**VOTE: 9-0-0**

**The motion carried.**

**Next meeting: January 9, 2020**

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