

**Minutes of the  
Litchfield Budget Committee Hearing  
Held on January 16, 2020**

The Litchfield Budget Committee held a budget hearing on Thursday, January 16, 2020 at Campbell High School, 1 Highlander Court, Litchfield, NH 03052.

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

Mrs. Douglas opened the budget hearing at 7:00 p.m.

**1. TOWN BUDGET PRESENTATION**

Mrs. Douglas introduced the Budget Committee members.

The Town Administrator, the department heads, and the Selectman's representative presented the Town's proposed budget in October.

The Budget Committee reviewed the information that was presented, asked questions, and approved and/or adjusted the proposed budget lines. Although the initial review was originally scheduled to be completed during one meeting, a second meeting was scheduled to allow for additional time.

- The Town presented its Warrant Articles in December for review.
- Tax cap calculations were considered by the Budget Committee when reviewing the proposed budget and the Warrant Articles.
- Budget review was completed on January 02, 2020, when the Budget Committee voted its recommendations for the Warrant Articles and the operating budget.

**Decision Criteria**

- Consider the rationale provided for proposed spending
- Consider history of actual spending of 3 previous years
- Consider what is a reasonable budget to present to the voters given fixed cost increases and revenue projections
- Consider whether the recommendations comply with the Tax Cap

**Town Budget Review**

- The approved 2019 budget was \$6,757,953.
- The Selectmen's proposed 2020 budget was \$7,187,328, which represented an increase of \$429,375.
- After Budget Committee reductions of \$122,401, the proposed 2020 budget is \$7,064,927.
- The Budget Committee proposed budget is \$29,266 above the current default budget and is \$306,974 above the 2019 budget.
- The Budget Committee's proposed budget represents an estimated \$0.03 increase to the tax rate.

#### **ARTICLE 4 - 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 \$7,064,927. Should this article be defeated, the default budget shall be \$7,035,661 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 2020 tax rate impact: \$0.03                      Recommended by the Board of Selectmen (5-0-0)  
Recommended by the Budget Committee (8-1-0)

#### **Areas of Major Impact to the Proposed Budget**

Town Meeting    \$10,241 increase  
- Reflects additional costs associated with presidential election cycle.

Information Technology                              \$39,233 increase  
- Increased contract costs  
- Upgrades to building infrastructure

Police administration                              \$97,726 increase  
- Reduction in the overtime budget as a result of the additional officer  
- Increased personnel costs partially attributed to a 53rd pay period  
- Salary increases associated with previously approved contract  
- Hired a police officer  
- Anticipated completion of degrees by officers  
- Begins a 3 year effort to replace portable communications radios

Fire Department                                      \$15,332 increase  
- Increased personnel costs partially attributed to a 53rd pay period  
- Annual maintenance & inspections of new equipment at new fire station

Fire Hydrants    \$19,386 decrease  
- Period of Pennichuck surcharges for rate recovery will end

Road Maintenance                                  \$170,293 increase  
- Created a new position for the Highway Department  
- Increased personnel costs partially attributed to a 53rd pay period  
- New contract for snow removal of Town Hall, Police Station, and Fire Station parking lots  
- Additional Highway Block Grant Road Improvements  
(Offset by revenue from additional state aid)

Sanitation Administration                      \$21,470 increase  
- Increased personnel costs partially attributed to a 53rd pay period  
- Increase in both the cost and the quantity of solid waste disposal

**Budget Committee Adjustments**

Board of Selectmen	\$ 250
Town Meeting	\$ 250
Accounting	\$ 250
Information Technology	\$ 25,000
Tax Collection	\$ 300
Legal Expenses	\$ 15,000
Personnel Administration	\$ 3,112
Planning Board	\$ 2,900
General Governmental Buildings	\$ 2,800
Police – Administration	\$ 6,000
Police – Support	\$ 2,961
Fire Department	\$ 7,750
Road Agent	\$ 5,000
Road Maintenance	\$ 38,853
Sanitation Administration	\$ 275
Mosquito District	\$ 200
Vendor Payments	\$ 9,500
Conservation Commission	\$ 2,000

**ARTICLE 5 - FULL TIME HIGHWAY EMPLOYEE**

To see if the Town will vote to hire a full time Highway Employee effective July 1, 2020 at an estimated salary and related costs of \$71,928 and further to vote to raise and appropriate the sum of \$35,964 for wages and benefits for the period of July 1, 2020 to December 31, 2020.

Estimated tax impact \$0.04

Recommended by the Board of Selectmen

Dan Harrison, 95 Pinecrest Road, asked if the Budget Committee voted to recommend these items to be on warrant articles.

Mrs. Douglas commented the Committee members voted to remove them from the budget.

Mr. Harrison clarified the Budget Committee did not take action to recommend placement on a warrant article.

**ARTICLE 6 - PUBLIC SAFETY COMMUNICATIONS SYSTEM LEASE PURCHASE**

To see if the Town will vote to authorize the Board of Selectmen to enter into a five (5) year lease purchase agreement for the sum of \$700,000 to replace and expand the town public safety radio communication system. The first payment is not required until 2021. This lease agreement contains an escape clause.

Estimated 2020 tax rate impact: \$0.00.

**In Arrears**

<b>Year</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
<b>Amount</b>	\$0.00	\$151,411	\$151,411	\$151,411	\$151,411	\$151,411	\$757,055
<b>Tax Impact</b>	\$0.00	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16

Recommended by the Board of Selectmen 5-0-0  
Recommended by the Budget Committee 7-2-0

Mrs. Douglas indicated this is a lease purchase and the first payment is not required until 2021. She commented the concern of the Select Board is that the communication system in the town will fail and there will be no way to communicate department to department.

Ralph Boehm, 6 Gibson Drive, commented there is no impact this year, but it will impact the tax cap in future years.

Mrs. Douglas commented it will become part of the new budget base in future years. She indicated it would have impacted the tax cap this year and the Budget Committee would not have been able to support it. She noted this was a way for the Select Board to finance the system and not impact the tax cap.

**ARTICLE 7 - LIBRARY EARNED TIME ACCRUAL EXPENDABLE TRUST FUND**

To see if the Town will vote to raise and appropriate the sum of \$5,000 to be placed in the Library Earned Time Accrual Expendable Trust Fund as previously established.

Estimated 2020 tax rate impact: \$0.01                      Recommended by the Board of Selectmen (5-0-0)  
Recommended by the Budget Committee (8-1-0)

**ARTICLE 8 - HUMAN SERVICES AND HEALTH AGENCIES**

To see if the Town will vote to raise and appropriate the sum of \$15,000 to support Human Services and Health Agencies providing services to the Town of Litchfield. If approved, the Health and Human Services Funding Committee will review funding requests and submit recommended funding amounts to the Board of Selectman for approval.

Estimated 2020 tax rate impact: \$0.02                      Recommended by the Board of Selectmen (5-0-0)  
Pending Recommendation by the Budget Committee (8-1-0)

Mrs. Douglas commented that this article is to support the assistance services that some outside organizations provide to the townspeople. She noted that a funding committee will review funding requests and submit recommended funding amounts to the Select Board for approval.

**ARTICLE 9 - GENERAL ASSISTANCE EXPENDABLE TRUST FUND**

To see if the Town will vote to establish a General Assistance Expendable Trust Fund pursuant to RSA 31:19-a, for the purpose of providing financial assistance to individuals in need pursuant to RSA 165:1 and to raise and appropriate \$10,000 for said fund; further to name the Board of Selectmen as agents to expend from said fund.

Estimated 2020 tax rate impact: \$0.01                      Recommended by the Board of Selectmen (5-0-0)  
Recommended by the Budget Committee (8-1-0)

**ARTICLE 10 - DARRAH POND TREATMENT**

To see if the Town will vote to raise and appropriate the sum of \$30,000 for milfoil, other invasive aquatic plant species and algae treatments at Darrah Pond. This will be a non-lapsing appropriation and will continue until treatment is complete or until December 31, 2024.

Estimated 2020 tax rate impact: \$0.03                      Recommended by the Board of Selectmen (5-0-0)  
Recommended by the Budget Committee (5-4-0)

Mrs. Douglas commented this is a non-lapsing appropriation.

**ARTICLE 11 - OLD TOWN HALL PAINT**

To see if the Town will vote to raise and appropriate the sum of \$25,000 to repaint the exterior of the Old Town Hall. The sum to come from the unassigned fund balance and no amount to be raised from taxation.

Estimated 2020 tax rate impact: \$0.00                      Recommended by the Board of Selectmen (5-0-0)  
Recommended by the Budget Committee (6-3-0)

**ARTICLE 12 - PLOW TRUCK PURCHASE**

To see if the Town will vote to raise and appropriate the sum of \$100,000 to purchase a plow truck with equipment for the Highway Department. This sum to come from the unassigned fund balance and no amount to be raised from taxation.

Estimated 2020 tax rate impact: \$0.00                      Recommended by the Board of Selectmen (5-0-0)  
Recommended by the Budget Committee (7-2-0)

**ARTICLE 13 - BUILDING SYSTEMS TRUST FUND**

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

Estimated 2020 tax rate impact: \$0.00                      Recommended by the Board of Selectmen (5-0-0)  
Recommended by the Budget Committee (9-0-0)

Mrs. Douglas indicated that funds were used from this trust fund for the HVAC at Talent Hall. She noted this article is requested to replenish the trust fund.

**ARTICLE 14 - TECHNOLOGY AND COMMUNICATION EXPENDABLE TRUST FUND**

To see if the Town will vote to raise and appropriate the sum of \$25,000 to be placed in the Technology & Communication Expendable Trust Fund as previously established. This sum to come from the unassigned fund balance and no amount to be raised from taxation.

Estimated 2020 tax rate impact: \$0.00                      Recommended by the Board of Selectmen (5-0-0)  
Recommended by the Budget Committee (9-0-0)

Mrs. Douglas indicated that \$25,000 was used to pay for the storage array. She noted this article is requesting to replenish the fund.

**ARTICLE 16 - PETITION ARTICLE**

Per RSA 72:39-1 and RSA 72:270-a we the people of Litchfield, NH would like to modify the elderly exemptions to the following:

The elderly exemption based on the assessed value of their home for qualified property owners 65 years of age and up to 75 shall be \$85,000 (dollars), from 75 years of age to 80 shall be \$140,000 (dollars), age 80 and up shall be \$190,000 (dollars) and the income of a single person to \$45,000 and married couples to \$55,000.

To qualify the person must have been a New Hampshire resident for at least 3 consecutive years, own the real-estate individually or jointly, or if the real-estate is owned by such persons spouse, they must have been married to each other for at least 5 consecutive years. In addition, the single taxpayer must not have a net income of more than \$45,000 (dollars) or, if married, a combined net income of \$55,000 (dollars) and own net assets not in excess of \$300,000 (dollars) excluding the value of the persons residence or, if married, the combined assets shall not be in excess of \$300,000. The combined net asset amount for married persons shall apply to a surviving spouse until the sale or transfer of the property by the surviving spouse or until remarriage of the surviving spouse.

Recommended by the Board of Selectmen (5-0-0)  
Pending Recommendation by the Budget Committee

Mrs. Douglas indicated this article is seeking to modify the elderly exemptions, income limits and asset limits, and increase the exemptions from their current parameters. She noted the tax impact could be \$0.03. This article is pending recommendation by the Budget Committee.

**ARTICLE 17 - PETITION ARTICLE**

To see if the Town will vote to increase the Veterans' Tax Credit and the All Veterans' Tax Credit from \$300 to \$750 per year?

Pending Recommendation by the Board of Selectmen  
Pending Recommendation by the Budget Committee

Mrs. Douglas indicated the article is pending both Select Board and Budget Committee recommendations as there is a question if the signatures are sufficient. She noted that impact / non-impact of this article on the tax cap is under discussion. She commented if it does impact the tax cap, the Budget Committee will have to reconsider their budget decisions and actions.

Mrs. Douglas indicated the 2020 Recommended budget is under the tax cap by \$5,325.

Ralph Boehm, 6 Gibson Drive, suggested if Article 17 does impact the tax cap, it would be helpful to list that on the article.

Mrs. Douglas indicated the operating budget has an estimated tax impact of \$0.03, which is an estimated tax increase of \$11.20 on a home valued at \$350,000. She commented if all warrant articles are approved, the proposed increase is \$0.14, which is an estimated increase of \$49.70 on a home valued at \$350,000.

Hearing no further questions or comments, the hearing was closed at 7:36 p.m.

## **II. SCHOOL BUDGET PRESENTATION**

Mrs. Douglas made the following statements:

- The School District Budget was received in November; the Superintendent and the Business Administrator presented school priorities, enrollment projections, and projected revenues.
- The budget was reviewed over a period of 3 weeks with input from department heads and educational professionals.
- The Budget Committee met twice in December to recommend adjustments to the proposed budget.
- With School Board reductions of \$263,659 and Budget Committee reductions of \$445,362, the budget initially submitted to the Budget Committee was reduced by \$709,021.
- Final votes on budgets and Warrant Articles will take place tonight, at the conclusion of all Hearings..

### **Decision Criteria**

Mrs. Douglas explained the Budget Committee made their recommendations based on the following criteria:

- Consider history of actual spending of previous years using 3 year averages
- Consider School District Priorities as presented by educational professionals
- Consider year to date actual spending of current budget
- Consider the rationale for why dollars are being requested by the school district and educational professionals as well as any data presented
- Consider what was a reasonable budget to present to the voters given fixed cost increases and revenue projections.

Mrs. Douglas presented the school district budget review:

- Approved budget for the current year is \$22,041,958
- Initial budget request was \$22,772,289 which was \$730,000 over FY20
- School Board level funded the insurance line, resulting in a savings of \$235,586 and additional action by the School Board brought their reductions to \$263,659
- The Budget Committee made \$445,362 in reductions for a budget total of \$22,326,927 (\$23,517,016 with Food Services and Grant Funds), which is \$284,969
- The Default Budget (\$23,660,450) is \$143,434 higher than the proposed budget.

**ARTICLE 1 - OPERATING BUDGET**

Shall the Litchfield School District vote to raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by the vote at the first session of the annual school district meeting, for the purposes set forth herein, totaling \$23,517,016? Should this article be defeated, the default budget shall be \$23,660,450, which is the same as last year, with certain adjustments required by previous action of the Litchfield School District or by law; or the School Board 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 Tax Impact: \$0.27 (Operating Budget) Estimated Tax Impact: \$0.44 (Default Budget)

Recommended by the School Board (5-0-0) Pending recommendation by the Budget Committee

Ralph Boehm, 6 Gibson Drive, asked if any of the one-time infrastructure grant money from the State is included in the budget.

Mrs. Douglas did not believe the funds are included in the budget.

Mr. Bourque, School Board Chair, indicated that the one-time revenue is earmarked for district infrastructure.

Tara Hershberger, 3 Naticook Avenue, asked if those funds will go the school district or the town because the money for the Berlin School District was written out to the Town of Berlin.

Mr. Boehm explained some towns and cities do not have a separate school district, which is why the funds go to the towns/cities as the schools are part of the city.

**Areas of Major Impact prior to any School Board reductions:**

Salaries and Benefits Total		\$966,655 Increase
Teacher’s Contract	\$ 296,462	Increase
Retirement payouts	\$ 171,581	Increase
Health Insurance	\$ 216,525	Increase
Teacher Retirement	\$ 10,265	Increase
Non-Teacher Retirement	\$ 10,358	Increase
5th Third Grade Teacher	\$ 88,208	Increase
5th Kindergarten Teacher	\$ 88,234	Increase
5th Kindergarten Para	\$ 16,326	Increase
Additional CHS Custodian	\$ 53,052	Increase
Special Services		\$160,748 Increase
Curriculum Development		(\$ 6,723) Decrease
Technology		\$ 22,258 Increase
CHS		\$ 16,679 Increase
School Board		\$ 10,000 Increase
Transportation		\$ 16,728 Increase
Building & Grounds		(\$ 35,776) Decrease



### **Budget Committee Action**

Salaries and Benefits:	Reduction	\$259,000
5th Kindergarten Teacher and Paraprofessional:	Reduction	\$103,000
Textbooks: (for additional kindergarten class)	Reduction	\$7,435
Furniture and Equipment: (for additional kindergarten class)	Reduction	\$18,867
Conferences and Travel: (restored \$4,174 to support additional training)	Reduction	\$15,826
Transportation: (restored \$9,224 for vocational education transportation)	Reduction	\$20,776
Supplies: (restoration of \$10,000)	Reduction	\$10,056
Snow Plowing:	Reduction	\$2,000
Printing & Binding:	Reduction	\$200
Extended Year Program:	Reduction	\$200
Legal Services:	Reduction	\$3,000
Game Officials:	Reduction	\$5,000

Mrs. Douglas indicated rationale for the reductions in salaries / benefits was based on the historical underspend in retirement, paraprofessionals, attrition, healthcare, and social security.

Tara Hershberger, 3 Naticook Avenue, commented that the presentation is inconsistent between the town and the schools. She indicated it would be helpful to see the amount detail about every increase and/or decrease the town originally requested in the school district budget presentation. She noted it would be beneficial for voters to get that information if they did not watch the budget process. She noted there is only a small explanation and list of reductions for the school district budget. Mrs. Hershberger indicated that directors and administrators spent hours preparing the budget and hours at Budget Committee meetings. She believes the presentation should contain deeper rationale and more detail for the reductions the Budget Committee made. She noted the reductions are too deep and will affect the children.

Dr. Jette reported he met with Mrs. Douglas for two hours today as we were late in getting numbers to her. He pointed out there are erroneous numbers in the slide outlining the initial budget total. He noted the amount on this presentation is not the information that ties back to the budget that was presented to the Budget Committee.

Janine Anctil, Tanager Way, asked Mrs. Douglas to speak about the reduction to transportation.

Mrs. Douglas commented that the Budget Committee saw a significant increase, especially in co-curricular and athletic transportation and based the reduction on three year historical information. She indicated the Budget Committee discussed the amount budgeted for sports team playoffs and championships. She noted the Budget Committee discussed if we fund every team going to the playoffs and championships.

Mr. Cutter indicated that this budget was inflated because of new activities and there was some fluctuation in other areas. He commented it was largely felt that athletics transportation was inflated. He noted the original motion was to reduce it by \$30,000. He indicated the Committee listened to the concerns of the district regarding vocational transportation and added over \$9,000 back into the budget.

Mrs. Anctil asked if the Budget Committee is suggesting reducing transportation for athletics teams.

Mr. Cutter indicated his recommendation to the School Board or District is to focus on athletic transportation.

Mrs. Douglas commented traditionally when we fund Special Education each child has a run; however, the Committee applied a bottom line reduction this year on the total transportation budget.

**ARTICLE 2 - LSSA CBA**

Shall the Litchfield School District vote to approve the cost items included in the collective bargaining agreement reached between the Litchfield School District and the Litchfield Support Staff Association, which calls for the following increases in salaries and benefits at the current staffing level:

Year	Estimated Increase
2020-2021	\$67,521
2021-2022	\$44,377

and further to raise and appropriate the sum of \$67,521 for fiscal year 2021, 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 Tax Impact: \$0.08

Recommended by the School Board Vote 5-0-0

Recommended by the Budget Committee 8-0-1

**Contract Overview**

- Two year agreement
- Shift to a consumer driven plan
- Year 1 cost \$67,521
- Year 2 cost \$44,377
- Language Clarifications for workplace safety improvements and enhancing communication methods

**ARTICLE 3: CLASS SIZE REDUCTION EXPENDABLE TRUST FUND**

Shall the Litchfield School District vote to establish a Class Size Reduction Expendable Trust Fund under the provisions of RSA 198:20-c for the purpose of funding staff due to unexpected increases in enrollment and to raise and appropriate \$99,000, which has been appropriated in the FY20 Operating Budget, but has not been expended. This sum to come from the June 30 unassigned fund balance available for transfer on July 1 with no amount to be raised from taxation. Further, to name the School Board as agents to expend from the fund.

Estimated Tax Impact: \$0.00

Recommended by the School Board 5-0-0

Pending Recommendation by the Budget Committee

Janine Anctil, Tanager Way, asked if the article is approved can this only be done on July 1? She asked what if the enrollment does not increase until August 1.

Mrs. Douglas indicated the funds become available on July 1 and can be used at anytime during the year. She explained the money is in the fund for whenever enrollment triggers an additional teacher in a grade.

**ARTICLE 4: SPECIAL EDUCATION CAPITAL RESERVE FUND**

Shall the Litchfield School District vote to raise and appropriate up to \$50,000 to be added to the Special Education Capital Reserve Fund established in 2004 and authorize the use of that amount from the June 30 unassigned fund balance available for transfer on July 1 of this year, with no amount to be raised from taxation?

Estimated Tax Impact: \$0.00

Recommended by the School Board 5-0-0 Pending Recommendation by the Budget Committee

Mrs. Douglas indicated that this article is requesting funds used to be replenished.

**ARTICLE 5: PRE-CONSTRUCTION FEASIBILITY STUDY OR PLANNING**

Shall the Litchfield School District vote to raise and appropriate the sum of \$70,000 to be added to the operating budget for the purpose of funding a pre-construction feasibility study or planning to determine the possibility and cost of new construction and/or renovation of existing facilities in Litchfield School District as recommended by the Capital Planning Committee?

Estimated Tax Impact: \$0.08

Recommended by the School Board Vote 5-0-0 Pending Recommendation by the Budget Committee

**ARTICLE 6 - BARRICADE SECURITY DEVICES**

Shall the Litchfield School District vote to raise and appropriate the sum of \$35,000 to purchase and install door barricade security devices for all interior classroom/office doors at Griffin Memorial School, Litchfield Middle School and Campbell High School? These door security devices are necessary to prevent an intruder from gaining access to the doorknob, lever or lock on classroom and office doors in the school buildings.

Estimated Tax Impact: \$0.04

Recommended by the School Board 5-0-0 Pending Recommended by the Budget Committee

**ARTICLE 7: RE-CORE LMS DOORS/LOCKS**

Shall the Litchfield School District vote to raise and appropriate the sum of \$25,000 to re-core (cylinders and keys) all door locks at Litchfield Middle School? This is based on security and safety recommendations from the building security assessment performed by the New Hampshire Department of Homeland Security.

Estimated Tax Impact: \$0.03

Pending Recommendation by the School Board and the Budget Committee

Mrs. Douglas explained that the tax impact of the recommended budget is \$0.27 and is projected to result in an estimated increase of \$94 on a house valued at \$350,000. The Default Budget tax impact of \$0.44 is projected to result in an estimated increase of \$154 on a house valued at \$350,000. If all articles are approved (including Article 1) the projected tax impact would be \$0.50, which would result in an estimated increase of \$175 on a house valued at \$350,000.

***Questions/Comments from the Public***

Hearing no further comments or questions, Mrs. Douglas closed the hearing on the school district budget at 8:10 p.m.

There being no further input from members of the public, Mrs. Douglas closed the hearing at 8:10 p.m. thanking everyone for attending.

The Budget Committee moved to a meeting after the hearing.

**Minutes by:**                    ***Michele E. Flynn (Recording Secretary)***